*Ciao*

# CAPITALISM

BY

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In an era where climate change and economic inequality are pressing issues, author Agustin V. Startari presents an innovative solution in his book, "Ciao Capitalism." Startari explores an economy that not only looks to maximize financial gains but also prioritizes the well-being of society and the environment.

Instead of focusing on individual ownership and control, the book advocates for solidarity and collective participation in business management. The circular and regenerative economy aims to reduce waste and emissions while rejuvenating ecosystems and biodiversity. Furthermore, the democratic economy promotes citizen participation and collective decision-making in the ownership and control of means of production.

Within these pages, Startari delves into each of these concepts, supplying detailed analysis on how they can be implemented. By offering tangible solutions to today's economic, social, and environmental challenges, this book becomes an essential guide for those looking to build a fairer and more sustainable future.

This collection gathers independent research works exploring power, ideology, legitimacy, and history through a cross-disciplinary lens. Each volume is self-contained yet contributes to a shared thread: the critical analysis of how power is formed, exercised, and sustained over time. From Ancient Egypt to 20th-century totalitarianism, ***Working Papers*** presents a clear, academically grounded narrative about the historical and discursive mechanisms that shape our societies. Each entry is numbered to reflect its place in this evolving series.

The present document has been written by Agustín V. Startari, an author and researcher trained at the Faculty of Humanities of UDELAR. This work is part of the "Working Papers" series project, which aims to promote productive employment and address the challenges that arise with new forms of informality. It should be noted that the opinions expressed in this document are solely the responsibility of the author.

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Collection

**WORKING PAPERS**

No. 9

# INTRODUCTION

Solidarity economy is characterized as a social and responsible economy that aims to generate a positive impact on society and the environment, prioritizing not only economic profits but also cooperation and participation of workers, consumers, and the community in the management of enterprises through collective ownership or participatory decision-making. This form of economy strives for social justice, equality, and fairness in resource distribution and benefits, while fostering protection among economic actors. It also promotes local economy and fair trade, aiming to cultivate a more just and sustainable economy.

On the other hand, the circular and regenerative economy looks to transform current models of production and consumption by promoting environmental sustainability and the reduction of waste and emissions. The circular economy focuses on starting the reuse and recycling of materials and products, as well as minimizing the extraction of natural resources and waste generation. The regenerative economy, on the other hand, promotes ecosystem and biodiversity regeneration through soil restoration, the promotion of organic agriculture, and the reduction of pollution and deforestation. Lastly, the democratic economy endeavors to foster the participation of all economic actors in decision-making processes, along with democratic ownership and control of the means of production. The democratic economy aims to promote social justice and equity in resource distribution and benefits, while encouraging citizen participation and collective decision-making.

In summary, the proposal of a solidarity, circular, regenerative, and democratic economy appears as a necessary and practical alternative to address the economic, social, and environmental challenges we face today. In the following chapters, we will explore each of these aspects in detail and analyze the

challenges and opportunities associated with the implementation of this proposal.

The concept of a solidarity, circular, regenerative, and democratic economy is a response to the problems and challenges met in the current economic system. It is based on the idea that the economy should serve the common well-being rather than solely pursuing economic profits. Firstly, the solidarity economy focuses on social justice, equality, and equity in the distribution of resources and benefits, promoting solidarity among economic actors. To achieve this, it advocates for cooperation and participation of workers, consumers, and the community in enterprise management through collective ownership or participatory decision-making. Additionally, it aims to stimulate local economy and fair trade, fostering a more just and sustainable economic system. This involves supporting local production and vulnerable communities while reducing dependence on large corporations and global economies.

Furthermore, the circular and regenerative economy transforms current models of production and consumption, emphasizing environmental sustainability and the reduction of waste and emissions. It prioritizes the reuse and recycling of materials and products, as well as minimizing the extraction of natural resources and waste generation. Meanwhile, the regenerative economy looks to restore ecosystems and biodiversity by addressing pollution, deforestation, and promoting organic agriculture and soil restoration.

To conclude, the democratic economy promotes the participation of all economic actors in decision-making processes, as well as democratic ownership and control of the means of production. This entails fostering citizen participation, collective decision-making, and advancing a more just and fair society.

The new economic theory I propose is based on the idea of a fair economy that looks to reduce inequality and promote the well-being of all individuals, not just a privileged elite. This economy is grounded on three fundamental pillars: environmental sustainability, social justice, and economic efficiency.

Regarding environmental sustainability, it is crucial to view the economy as interconnected with the environment and consider its impact on the surrounding ecosystem. This implies that businesses and individuals must be accountable for their actions and take measures to minimize their ecological footprint. Sustainable practices, such as reducing waste, using renewable resources, and promoting circular economy models, play a key role in achieving environmental sustainability.

In terms of social justice, it is essential for the economy to not only be efficient but also fair. This entails ensuring a more equal distribution of wealth and resources. A progressive tax system can be implemented to redistribute wealth and fund social programs that address inequality and improve the quality of life for individuals with lower incomes. Additionally, promoting equal opportunities in education, healthcare, and access to basic resources helps to create a more just society.

Economic efficiency is another important aspect of a fair economy. While productivity and competitiveness are desirable, they should not come at the expense of environmental sustainability and social justice. Finding innovative and sustainable ways of production and consumption, as well as supporting entrepreneurship and job creation in sectors that prioritize quality and well-being, can contribute to a more efficient and balanced economy.

The integration of these three pillars - environmental sustainability, social justice, and economic efficiency - is essential for a new fair economy. By embracing this comprehensive approach, we can address the challenges of inequality, environmental degradation, and economic instability. This comprehensive vision not only helps current generations but also ensures a sustainable and just future for generations to come.

Solidarity Economy: The promotion of solidarity economy is advocated as an alternative to the traditional economic model. It supports the creation and strengthening of cooperatives and social enterprises that promote local and sustainable development, generating decent jobs, and fostering democratic participation in the management of businesses. By prioritizing values such as cooperation, social justice, and community empowerment, the solidarity economy looks to address the shortcomings of the profit-driven capitalist system.

Transition to Renewable Energies: To ensure a sustainable future, a transition to renewable energies is proposed, reducing dependence on fossil fuels and promoting the generation and consumption of clean and renewable energy sources. This not only helps the environment by mitigating climate change and reducing pollution but also presents economic opportunities by fostering the growth of the renewable energy sector. Investments in renewable energy infrastructure and research can create new jobs and stimulate innovation while contributing to the global goal of decarbonization.

Promotion of Education and Training: Education and training play a crucial role in improving people's quality of life and ensuring economic and social development. A strong emphasis is placed on investing in education and training for all individuals, regardless of their socioeconomic background. This approach aims to promote equal opportunities, enhance skills and competencies,

and foster lifelong learning. By equipping individuals with the necessary knowledge and abilities, they are better prepared to adapt to changing economic landscapes and contribute to a more prosperous society.

Strengthening the Public Sector: The strengthening of the public sector is advocated as a key player in the management and control of the economy. The aim is to reduce the influence of the private sector in economic policy and increase democratic and citizen control over economic decision-making. By strengthening public institutions and governance mechanisms, there can be greater accountability, transparency, and responsiveness to the needs and interests of society.

In summary, the new theory of fair economics proposes a radical shift from the current economic model, focusing on wealth redistribution, the promotion of solidarity economy, the transition to renewable energies, the promotion of education and training, and the strengthening of the public sector. These changes have the potential to have a positive impact on reducing economic inequality and poverty while creating a more sustainable and fair future.

# CAPITALISM IN CRISIS

Historically, capitalism has been criticized for its ability to generate economic and social inequalities. Since its start, capitalism has been associated with the exploitation of workers and the concentration of wealth in the hands of a few. This accumulation of wealth has led to a widening gap between the rich and the poor, becoming one of the primary drivers of social inequality. Furthermore, capitalism has also faced criticism for its impact on nature and the environment. The relentless pursuit of economic growth and profits has resulted in the excessive exploitation of natural resources, environmental degradation, and climate change. As the global economy continues to expand, the pressure on natural resources intensifies, and the environmental crisis becomes increasingly urgent.

Geographically, capitalism has also given rise to significant disparities between wealthy and poor countries. Wealthy nations have been able to exploit the resources and labor force of poorer countries, often through unfair trade practices and debt. This has led to a growing divide between the rich and the poor countries, contributing to the perpetuation of poverty and social exclusion worldwide. Socially, capitalism has also been criticized for its impact on people's quality of life. The culture of consumption and the acquisition of goods have become fundamental aspects of modern life. However, this culture of consumption often leads to perpetual dissatisfaction and a lack of genuine happiness as individuals pursue material accumulation rather than seeking lasting well-being and fulfillment.

Moreover, at an economic level, capitalism has generated a series of challenges. The relentless pursuit of growth and profits has resulted in cutthroat competition and a concentration of power in

the hands of a few corporations and individuals. This has led to a lack of genuine competition in many sectors, limiting innovation and creativity within the global economy. Economic inequality is also a fundamental problem of contemporary capitalism. According to the Oxfam report "Public Good or Private Wealth," in 2020, the combined wealth of the world's ten richest individuals surpassed that of all the world's governments combined. Meanwhile, according to the World Bank, over 10% of the global population lives in extreme poverty, defined as living on less than $1.90 per day. Economic inequality has detrimental effects on people's health, education, and well-being and can contribute to political and social polarization.

In terms of geographical issues, capitalism has led to the exploitation of natural and human resources in developing countries, particularly in Africa, Asia, and Latin America. Multinational corporations often extract raw materials and cheap labor from these countries but rarely reinvest in them. This has resulted in environmental degradation and poverty in many nations, while wealthy countries receive help from the resources and cheap labor.

> "It has been argued that capitalism has always generated inequalities, whether through the exploitation of workers, the expropriation of natural resources, or the domination of peripheral countries. However, these inequalities are not inevitable but rather the result of a series of political and economic decisions that have favored elites while marginalizing the majority" (Piketty, 2014).

The social problems of capitalism encompass the alienation of labor, the loss of cultural identity, and the fragmentation of communities. Work is seen to achieve profits rather than a

meaningful and satisfying activity. Additionally, globalization and cultural homogenization often associated with capitalism can erode local traditions and cultures, resulting in the loss of cultural identity and the fragmentation of communities. In summary, contemporary capitalism presents a range of historical, geographical, social, and economic problems that pose significant challenges to sustainability, justice, and human well-being. In the following chapter, we will explore how a solidarity-based, circular, regenerative, and democratic economy could offer a more fair, sustainable, and inclusive alternative to the current economic system.

> "The history of capitalism is a history of class struggle, where workers have sought to resist the exploitation and oppression of capital. Throughout the centuries, labor movements, trade unions, political parties, and social organizations have emerged to build alternatives to capitalism and defend workers' rights" (Marx and Engels, 1848).

As previously mentioned, geographically, capitalism has also forged global inequalities, with wealthy and developed countries exploiting the resources and labor of poor and underdeveloped nations. Economic globalization and trade liberalization have allowed for the free flow of capital and goods but have also resulted in increased competition and exploitation, especially in developing countries struggling to attract foreign investment and export their products. In social terms, capitalism has brought deep economic inequalities, resulting in the concentration of wealth in the hands of a small elite, while many workers struggle to survive on low wages and job insecurity. Limited access to basic services such as healthcare and education has further worsened social and economic inequalities. At an economic level, capitalism has proven to be unstable and prone to economic crises, such as the Great

Depression of the 1930s and the global financial crisis of 2008. The logic of capitalism to maximize profits fosters financial speculation and lack of regulation, worsening economic crises and increasing economic inequality. The rise in wealth and economic power of large corporations and financial elites leads to further concentration of wealth and resources in the hands of a few, while most of the population struggles to make ends meet with low wages and precarious conditions.

This system also degrades the environment and exploits natural resources. The logic of capitalism focuses on short-term economic profit maximization, disregarding the long-term impacts on the environment and affected communities. Exploitation of natural resources, pollution, and environmental degradation are some of the negative consequences of this approach. According to Oxfam's 2021 report "Reward Work, Not Wealth," the wealthiest 1% of the global population owns more than double the wealth of the poorest 6.9%. This economic inequality has intensified in recent decades, largely due to the growing concentration of wealth in the hands of a business and financial elite.

> "Capitalism has generated a massive concentration of wealth and power in the hands of a few corporations and economic elites, creating enormous economic and political inequalities. Corporations can wield their power to influence public policies and regulations, often favoring their interests at the expense of the majority of the population" (Harvey, 2010).

According to the 2019 UN report on biodiversity, one million animal and plant species are at risk of extinction due to human activity, which has negative consequences for climate stability and food security.

Precarious employment and lack of labor rights are also problems associated with the current capitalism. Many workers face poorly paid jobs, job insecurity, and lack of social protection, which have a negative impact on their quality of life and economic well-being.

> "Capitalism did not emerge out of thin air in the 18th century but was built upon the contradictions and tensions of late feudalism and mercantilism. Primitive accumulation, exploitation of colonial resources, and the industrial revolution were the processes that gave rise to capitalist domination" (Harvey, 2003).

Similarly, the growing commodification of life, where social and cultural relationships have become objects of trade and subordinated to market logic. This has led to a culture of individualism and consumerism, where the worth of individuals is measured by their ability to consume and produce.

Since its origins in the 18th century, capitalism has been criticized for its effects on inequality. German economist and philosopher Karl Marx argued that capitalism was a system that inevitably produced a widening gap between the capitalist class and the working class, eventually leading to a social revolution. Marx's theory was complemented by other critics of capitalism, such as British economist John A. Hobson, who argued that capitalism fostered economic inequality through the concentration of capital in the hands of a small elite and the exploitation of workers. History has shown that these concerns were fundamental. In the 19th century, the Industrial Revolution brought about the exploitation of workers in factories, mines, and other industries. Workers were forced to work long hours in dangerous conditions and often received low wages. Meanwhile, business owners accumulated enormous fortunes. Throughout the 20th century, capitalism

evolved, and there were tries to mitigate its most harmful effects. Trade unions were formed to protect workers' rights, governments set up labor and safety regulations, and social welfare systems were created to supply protection for the most vulnerable. Nevertheless, inequality stays a fundamental problem today. Additionally, the COVID-19 pandemic has worsened existing inequalities and exposed the fragility of current economic systems.

According to the World Bank, in 2021, extreme poverty globally affected 9.2% of the population, roughly around 706 million people. Similarly, economic inequality stays a significant issue worldwide: the wealthiest 1% of the global population owns more than double the wealth of the poorest 6.9%, according to Oxfam's 2022 report. In countries like the United States, the wealth gap between the rich and the poor has widened in recent decades: in 1980, the top 1% owned 10% of the country's total wealth, while in 2021, they owned 15%. At the same time, the bottom 50% of the population owns only 2% of the country's total wealth. In Latin America, according to the Economic Commission for Latin America and the Caribbean (ECLAC), 30.5% of the population lived in poverty in 2020, representing over 185 million people. Meanwhile, 10.7% of the population (around sixty-five million people) live in extreme poverty. In the region, inequality is also a significant problem: the top 1% of the population owns 25% of the total wealth, while the bottom 50% owns only 3.5%. According to the ECLAC's "Social Panorama of Latin America 2021" report, the COVID-19 pandemic has had a significant impact on poverty and inequality in the region. In 2020, the rate of extreme poverty in Latin America and the Caribbean increased from 11.3% to 12.5%, meaning that an added twenty-two million people fell into extreme poverty. Additionally, the poverty rate increased from 30.5% to 33.7%, equivalent to an increase of twenty-two million people. The report also highlights that the pandemic has disproportionately affected vulnerable groups such as women, youth, informal

workers, and Indigenous peoples. At the same time, the pandemic has exposed and worsened structural inequalities in the region, such as lack of access to basic services, racial and gender discrimination, and the concentration of wealth in a small percentage of the population.

Contemporary capitalism presents a series of problems for workers worldwide. One of the main issues is job precariousness, which means that an increasing number of workers are in temporary, part-time, or contract less positions. According to the International Labor Organization, in 2021, over 60% of the global workforce was engaged in informal employment, lacking labor protection, social security, and basic labor rights. Another problem is the growing automation and digitalization of the economy, leading to the elimination of many traditional jobs and the creation of new precarious and poorly paid positions. Furthermore, automation has also worsened inequality in the labor market, as higher-paying jobs often require technical skills and advanced education. Workers also face increased global competition, resulting in job outsourcing and the migration of employment to countries with lower wages and worse working conditions. This has led to job losses in many countries, especially in manufacturing sectors, and increased pressure on remaining workers to accept lower wages and conditions. Lastly, workers also face a lack of union representation and erosion of labor rights. Many countries have reduced labor protections and weakened unions and collective bargaining, further increasing worker vulnerability to employers.

These data clearly reflect the size of the inequality and poverty problem in the world and its connection to the current economic system, capitalism. Contemporary capitalism is characterized by the concentration of wealth and power in the hands of a few, while most people are marginalized and struggle to survive. This is largely due to the pursuit of profit maximization and

capital accumulation by businesses and individuals, leading to the exploitation of workers and natural resources, and exclusion of the poorest and most vulnerable. This situation is unsustainable and needs to be urgently and decisively addressed. It is necessary to rethink the economic system and look for more fair and sustainable alternatives that consider the needs of all people and the planet.

A fair new economy could be a solution, based on collaboration, solidarity, and the common good rather than the maximization of individual benefits. This could be achieved through concrete policies and measures such as wealth regulation and redistribution, increasing wages and protecting labor rights, promoting local and circular economies, and investing in public services such as education and healthcare. In essence, inequality and poverty are global problems that require global and systemic solutions. We must look beyond the current economic system and work together to build a fairer and more sustainable economy that promotes the well-being of all people and the planet. The new fair economy can be a first step in that direction.

Regarding gender inequality, according to the World Economic Forum, the gender gap in terms of health and survival, education, economic participation, and political empowerment will not be closed for another 135.6 years. Furthermore, the COVID-19 pandemic has worsened gender inequality, as women have been disproportionately affected in terms of job losses and increased unpaid workload at home. Gender inequality in the workplace is clear in several concerning quantitative indicators. For example, according to a 2020 ILO report, the global gender pay gap stands at 16%, meaning that women earn 16% less than men for the same work. Additionally, an estimated 740 million women worldwide are engaged in informal employment with low wages and inadequate labor protection.

In the environmental sphere, 21st-century capitalism has led to the overexploitation of natural resources and environmental degradation. According to the IPCC's 2018 report, it is estimated that if the global temperature increases by more than 1.5°C, there will be irreversible impacts on terrestrial and marine ecosystems, biodiversity, and human systems. Furthermore, according to the WHO's 2018 report, air pollution manages seven million deaths worldwide each year.

These data clearly prove that inequality and poverty are severe and persistent problems worldwide, and effective and sustainable solutions are needed to address them meaningfully.

## CASE OF STUDY: American Capitalism, Examining Inequality and Economic Dynamics

American capitalism stands as one of the most prominent economic systems worldwide, characterized by principles such as "private property, free enterprise, and a free market" (Stiglitz, 2018). This system uses on the basis that "the prices of goods and services are determined by supply and demand" (Stiglitz, 2018). While American capitalism has played a pivotal role in the global economy, it has faced criticism due to its emphasis on "profit maximization and economic inequality" (Stiglitz, 2018).

Companies running within the American capitalist framework enjoy the freedom to produce and sell goods and services "without undue government interference" (Stiglitz, 2018). However, adherence to "governmental regulations and labor laws" is a requirement (Stiglitz, 2018). Entrepreneurs are afforded the opportunity to invest in businesses, motivated by the expectation of generating profits and "taking financial risks for potentially higher returns" (Stiglitz, 2018). Consumers, on the other hand, have the liberty to exercise their preferences by buying and consuming the products of their choice. In terms of labor, workers own the freedom to choose their employers and work locations (Stiglitz, 2018).

Nevertheless, the pursuit of profit often leads to certain negative consequences within the American capitalist system. One such consequence is the exploitation of workers and the exacerbation of economic inequality. Employers often strive to reduce labor costs, resulting in "low wages and poor working conditions" (Stiglitz, 2018). Additionally, companies may resort to outsourcing labor to countries with lower wages, thereby contributing to job losses for American workers (Stiglitz, 2018).

Furthermore, the lack of adequate regulations within American capitalism has given rise to environmental concerns. Insufficient oversight has led to instances of "environmental pollution and degradation" (Stiglitz, 2018). The consequences of these actions have far-reaching implications for the environment and future generations.

Examining historical context, the economic and social challenges faced during the Great Depression were more severe than those experienced today. However, a prevailing sentiment of hope permeated society during that period, fostering expectations of improvement (Stiglitz, 2018). Presently, the level of inequality is unparalleled, with the overall inequality resembling some of the darkest periods in history. Extreme wealth concentration among a minute fraction of the population, less than 1%, plays a significant role in driving this inequality (Stiglitz, 2018).

Data analysis reveals a substantial widening of the wealth gap between the rich and the poor in recent decades. According to the Pew Research Center, the proportion of middle-income households in the United States decreased from 55% in 1970 to 44% in 2018, while high-income households saw an increase from 14% to 21% over the same period (Pew Research Center, 2018). Furthermore, real incomes for middle- and low-income households have experienced minimal growth, while incomes for high-income households have risen considerably (Center on Budget and Policy Priorities, 2018). Between 1979 and 2017, after-tax incomes for middle-income households increased by only 6%, while after-tax incomes for high-income households soared by 121% (Center on Budget and Policy Priorities, 2018).

In summary, American capitalism has appeared as a prominent economic system, driven by principles such as private property, free enterprise, and a free market. While it has contributed to global economic growth, criticism arises due to its focus on profit

maximization and economic inequality. Exploitation of workers, outsourcing, inadequate regulations, and environmental degradation are some of the associated concerns. Comparatively, the level of inequality saw today is unprecedented, with extreme wealth concentration worsening the disparity between the rich and the poor. Statistical data supports this observation, depicting a significant widening of the wealth gap over the past few decades.

When it comes to poverty, data shows that the poverty rate in the United States stays high compared to other developed countries. According to the 2019 census, 10.5% of the population was below the poverty threshold (United States Census Bureau, 2019). Moreover, poverty disproportionately affects certain groups, such as people of color, children, and the elderly. The data supports the notion that poverty in the United States changes different groups unequally. For instance, in 2019, the poverty rate for African Americans was 18.8%, while for non-Hispanic whites, it was 7.3% (United States Census Bureau, 2019). Similarly, the poverty rate for individuals under 18 years old was 14.4%, and for those over 65 years old, it was 7.3% (United States Census Bureau, 2019). It is important to note that although the poverty rate has decreased over the past few decades, there are still millions of people living in poverty, struggling to meet their basic needs of food, housing, and healthcare. Additionally, the COVID-19 pandemic has further worsened the poverty situation in the country, especially among the most vulnerable groups.

Another criticism of American capitalism revolves around the lack of social mobility. According to a study by the World Economic Forum, the United States ranks 27th out of twenty-nine countries in terms of intergenerational social mobility, writing down that the likelihood of a child born into a low-income family reaching a higher income level is much lower compared to other countries (World Economic Forum, 2021). The lack of social mobility has

drawn criticism from many economists and public policy experts. Factors contributing to this include income inequality, limited access to education, and racial and gender discrimination. Income inequality plays a significant role in the lack of social mobility. The wealth gap has widened in recent decades, meaning that economic opportunities are more limited for those born into low-income families. Additionally, many low-wage jobs do not supply benefits such as health insurance, making it challenging for individuals to escape poverty. Limited access to education is also a significant factor contributing to the lack of social mobility. Private colleges and universities can be expensive, making higher education inaccessible for many low-income individuals. Furthermore, public schools in low-income areas often have limited resources and may not offer the same quality of education as schools in wealthier areas. Racial and gender discrimination can also limit social mobility. Studies have shown that people of color and women often face barriers in accessing economic and educational opportunities, making social mobility more difficult. Workplace discrimination can also restrict career opportunities for those belonging to marginalized groups. The mentioned study found that intergenerational social mobility is at 55%, meaning that only 55% of children from low-income parents surpass their parents in terms of income (World Economic Forum, 2021). In comparison, social mobility in countries like Canada and Denmark stands at 76% and 75%, respectively (World Economic Forum, 2021). The report also shows that 62% of men and 50% of women in low-income households are still in the same income quintile in which they were born (World Economic Forum, 2021).

Criticisms of American capitalism extend to issues such as poverty rates, unequal distribution of wealth, and limited social mobility. Data reveals persistent poverty levels, particularly changing specific groups. Moreover, the United States struggles with social mobility compared to other countries, with factors like

income inequality, limited access to education, and discrimination contributing to this challenge.

During periods such as the "Roaring Twenties" and the "Happy 90s," the situation unfolded in a quite similar fashion. The extreme inequality saw primarily stems from the concentration of wealth in the hands of a minuscule fraction, not literally the top one-tenth of 1% who are extremely wealthy. This extreme inequality is not only inherently unjust but also has highly negative consequences for society. In fact, the mere existence of such inequality has a corrosive and detrimental effect on democracy. If we examine the notion of the "American Dream," an integral part of it is social mobility: being born into poverty, working hard, and achieving wealth. Previously, it was possible for a worker to obtain decent employment, buy a house, and afford a car to transport their children to school. However, all these aspirations have crumbled. In the United States, democracy has been a fundamental value and has been promoted as one of the country's key political and social virtues. Nevertheless, throughout the nation's history, tensions and conflicts have arisen between democracy and the economic and political elites. The concentration of wealth and power has been a recurring concern within the American political and economic system.

Policies that favor the wealthy and powerful have been a constant feature throughout U.S. history, which has had an impact on the quality and nature of democracy in the country. The privileged and powerful sectors have exerted disproportionate influence over politics and government, leading to a range of problems, including limited social mobility, widening wealth gaps, and persistent poverty. Moreover, the cost of elections has skyrocketed in recent decades, resulting in greater political control by large corporations and the wealthy. Elections require substantial amounts of money, and those with greater financial resources have

an outsized influence on the political process and electoral outcomes. In the realm of political campaign financing, the 2020 presidential elections saw expenditures exceeding $14 billion, a significant increase compared to the approximately $6.5 billion spent in the 2016 presidential elections. Furthermore, 80% of that money came from multimillion-dollar donors and special interest groups. This reality suggests that the interests of the rich and powerful have a disproportionate influence on the political process and decision-making. Political parties have become entangled with large corporations, leading to a hollow political power that quickly translates into legislation that further concentrates wealth for the most powerful. Thus, fiscal policies, regulations, corporate governance rules, and a variety of other political measures are designed to increase the concentration of wealth and power. This vicious cycle perpetuates itself, and it is not a new phenomenon. In fact, it was described by Adam Smith in 1776 in his famous book "The Wealth of Nations." If we read Smith's work, it tells that in England, the main architects of policies were the owners of society, at that time the merchants and manufacturers. They ensured that their own interests were well taken care of, regardless of the grave impact on the population of England or others. Today, it is no longer just merchants and manufacturers; it is financial institutions and multinational corporations that Adam Smith referred to as the "masters of mankind." They follow a motto of "everything for us and nothing for the rest." However, in the absence of widespread popular reaction, that is essentially what one should expect. Indeed, fiscal and regulatory policies, as in other countries, have been criticized for their impact on the concentration of wealth and power. For example, reducing taxes for corporations and high-income individuals, as well as eliminating or weakening regulations aimed at protecting consumers and the environment, have been perceived as policies that favor the richest and most powerful. Furthermore, corporate governance rules have been criticized for

allowing corporate executives to exert significant influence over decision-making and the distribution of benefits, to the detriment of workers and minority shareholders. The presence of powerful interest groups, such as business lobbying groups and large corporations, has also been cited as a factor influencing the formulation of public policies that serve the interests of these economic elites. Consequently, these policies have contributed to the concentration of wealth and power in the hands of economic and business elites, allowing them to influence policies that keep and reinforce their privileged position in society.

Throughout the history of the United States, there has been an ongoing struggle between the pressure for greater freedom and democracy from below and the efforts of the elite to increase control and dominance from above. This conflict dates to the founding of the country. James Madison, the primary architect of the Constitution, believed in democracy like no one else in the world at that time. However, he believed that the American system should be designed, and indeed, thanks to his initiative, it has been designed in such a way that power would be in the hands of the wealthiest, as they were believed the most responsible group of men. Therefore, the formal constitutional structure placed more power in the hands of the Senate. The conflict between the demands for freedom and democracy from the population and the quest for control and domination by the elites has been a constant in the history of the United States. Since the country's founding, the struggle for independence from the British Crown was largely motivated by the pursuit of greater freedom and democracy by the colonists. However, the political and economic structure that appeared after independence remained dominated by an elite of landowners and merchants. During the 19th century, the country faced significant conflicts such as the Civil War, in which the Southern states fought to support the system of slavery that provided them with economic and political control over the Black

population. Despite the Northern victory in the Civil War and the abolition of slavery, struggles for equality and democracy for the Black population continued for decades, including the civil rights movement of the 1960s. In the 20th century, struggles for social justice and democracy continued with the labor movement, women's suffrage, the fight for civil rights for African Americans and other minorities, and more recently, the movement for racial justice and gender equality. However, as the concentration of wealth and power has intensified in recent decades, it has become increasingly difficult for the demands for freedom and democracy from the population to have a real impact on policies and the structure of power. This has led to an increase in inequality, poverty, and social exclusion, which in turn has generated greater frustration and alienation among the population, potentially leading to more social conflicts and tensions.

> "The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, elective, or otherwise, may justly be pronounced the very definition of tyranny."

This quote refers to the importance of the separation of powers and the prevention of the accumulation of power in the same hands, whether by one, a few, or many, and whether hereditary, self-appointed, chosen, or otherwise. It can be the same source of degradation of individual freedom as an absolute government.

It should be noted that during Madison's time, the Senate was not elected but selected by the wealthiest individuals. Madison believed that the greatest concern of society should be to protect the wealthy minority against the majority. He argued that if most of the poor were to freely vote, they could take away the property of the rich. Madison believed this would be unjust and therefore the constitutional system had to be designed to prevent democracy.

This debate has a long tradition that dates to Aristotle's first treatise on the political system, "Politics." Aristotle states that democracy is the best system but also acknowledges that if the Athenians were to become a democracy, they would organize and take property away from the rich. Madison warned of this scenario.

Looking at the history of the United States, there has been a constant struggle between these two tendencies. On one side, there is a democratizing tendency driven primarily by the population, a pressure from below. This ongoing battle experiences periods of regression and periods of progress. For example, the 1960s was a period of significant democratization, where previously passive and apathetic sectors of the population organized themselves and became active, exerting pressure in favor of their demands. They became increasingly involved in activism and decision-making, shifting the consciousness of the population. The minority appeared and claimed rights for minorities, women's rights, concerns for the environment, opposition to aggression, and care for the well-being of others. These civilizing actions caused great fear among political leaders, particularly those from wealthier socioeconomic backgrounds.

The power of the reaction to these civilizing effects of the 1960s, the strength of the counterattack, began in the 1970s. It was an enormous and well-coordinated corporate offensive aimed at countering the egalitarian efforts undertaken during Nixon's presidency. This can be seen in various aspects, such as the famous Powell Memorandum sent to the Chamber of Commerce, the largest business lobbying group, led by Louis Powell, who later became a Supreme Court Justice. In the memorandum, Powell warned that the business world was losing control over society and that something needed to be done to counter these forces. While he framed it in terms of defense against external forces, it was essentially a call for the business world to use its control over

resources to launch a major offensive against this democratizing wave. This twelve-page manifesto is "important because, if not considered the founding document, it is the most condensed declaration intended to establish the theoretical framework and political design for the current assault against any vestige of democratic public life that is not itself subordinate to the logic of the alleged free-market system," as written by Henry A. Giroux.

Powell recommended occupying various areas, ranging from the long-term potential role of the USCC (U.S. Chamber of Commerce), which "enjoys a strategic position" and broad support, to controlling universities that "assault the (free-market) system" and produce students and professionals who have lost confidence in the system and seek employment "in centers with real centers of influence," such as "new media, especially television," government, politics, academia, and various levels of education. These "intellectuals" sometimes end up being employed in regulatory agencies or government departments with wide authority over a business system in which they do not believe. Powell recommended that the USCC consider proving a team of highly qualified social science scholars who believe in the system and whose authority is widely respected. He also suggested evaluating textbooks, especially in economics, political science, and sociology, to restore the essential balance of academic freedom. Additionally, he proposed ensuring the presence of spokespersons for free enterprise in university fields dominated, as he claimed, by communists who, according to an FBI list, gave over one hundred lectures in 1970, along with "hundreds of presentations by leftists and liberals who express the views indicated above in this memorandum." Powell continued by recommending that the USCC increase its influence in business schools, secondary education, and the public through a team of eminent academics, writers, and speakers who will manage thinking, analysis, writing, and communication. They will be supported by a "staff team" with access to journalists. Television

"must be kept, like textbooks, under constant surveillance," including daily news analysis that often includes the most insidious criticisms of the business system and gradually erodes "confidence in business and free enterprise." This monitoring and remedial action, such as complaints to media regulatory authorities, should also extend to radio and other press outlets. According to Powell, the "faculty of scholars" of the USCC should publish to counter their "liberal and leftist" colleagues. These organic intellectuals serving the free enterprise system, as Gramsci would define them, should be provided with incentives to publish articles "in a broad spectrum of journals and newspapers," as well as academic books, paperbacks, and pamphlets to flood newsstands at airports, pharmacies, and everywhere filled with publications proposing everything from revolution to the eroticism of free love. This strategy of dominating public space, defending the system, and producing a socially vision requires funding, which Powell recommends be part of the annual budget that companies distribute to advertising their products. He concludes that the "threat to the business system" is a "threat to individual freedom" and urges the use of the power of the twenty million American shareholders, who can be mobilized to support an educational program and a political action program. The "Powell Memorandum" is probably the birth certificate of the strategy aimed at appropriating the thought and imagination of the American people to convert them to the utopia of neoliberalism.

Controlling the main levers of the State and the institutions that govern society is the central element of any revolutionary or counterrevolutionary strategy. No revolution or counterrevolution has endured without this requirement. And the neoliberal counterrevolution, the subject of the following article, is no exception. On the liberal side, something remarkably similar happens; the first major report of the Trilateral Commission refers to this as "The Crisis of Democracy." The Trilateral Commission

consists of internationalist liberals, and their bias is clear since many of them come from the Carter administration. They were also alarmed by the democratizing movements of the 1960s and believed that a reaction was necessary because they considered there was an excess of democracy.

Those sectors of the population that were previously passive and obedient, what used to be called special interest groups, began to organize and enter the political arena. The dominant groups then said that this exerted too much pressure on the state, and it could not deal with all those pressures. Therefore, these groups had to return to passivity and be depoliticized. They were particularly concerned about what was happening with young people; young people were becoming too free and independent. They presented it as a failure on the part of schools, universities, and churches—those institutions responsible for the indoctrination of young people. If we look at their study, there is an interest they never mention: private businesses. And it is logical because they do not stand for a special interest but rather the national interest. So, they do not have a problem; they can have lobbyists, buy campaigns, appoint executives, and make decisions. That is fine because it is the other groups, the special interest groups, the general population, which must be subordinated. This is the ideological spectrum as one part of the counterattack, but the biggest counterattack that was being managed in parallel to this was simply redesigning the economy.

Since the 1970s, there has been a coordinated effort by the *masters of humanity* and the owners of society to change the economy in two key aspects. First, to increase the role of financial institutions such as banks, investment companies, insurance companies, and so on. In 2007, just before the last crisis, they already literally had 40 percent of corporate profits, which is much more than at any other time. In the 1950s and for many years until then, the US economy was primarily based on domestic production. It was the great

industrial center worldwide. Financial institutions used to be a relatively small part of the economy, and their function was to distribute unused assets like bank deposits of savers for productive activity. A system of regulation was proven; banks were regulated, commercial banks, and investment banks were separated to limit their risky investment practices that could affect individuals. During the period of regulation, there were no financial bankruptcies. But starting in the 1970s, everything changed, as there was an enormous increase in speculative capital movements, an astronomical increase. There was an incredibly significant shift in the financial sector from traditional banks to risky investments, complex financial instruments and monetary manipulations. Increasingly, the country's business shifted to production inside the country, and the main business in major metropolitan areas became finance. This is even noticeable in the choice of directors. In the 1950s or 1960s, the director of a major American corporation was most likely an engineer who studied industrial management at MIT, for example. But nowadays, those who hold management and other high positions are graduates of business schools who have learned various financial tricks and so on. In the 1970s, General Electric, for example, could make more profits through financial games than by producing goods in the US. Indeed, in the 1970s and 1980s, there was a significant transformation in the US economy, in which many large corporations shifted their productive focus towards financial services and speculation. In this context, General Electric (GE) was one of the companies that led this trend. According to a Forbes magazine article from 1989, GE became a company "more interested in manipulating its short-term profits than producing products for the global market." Instead of investing in research and product development, GE and other companies began to focus on the financial sector, investing in stocks and other high-risk assets to obtain large short-term profits. As a result, these companies became increasingly disconnected from the real economy and more

concerned with maximizing shareholder profits rather than creating jobs and stimulating economic growth. It should be noted that General Electric today is essentially a financial institution, generating half of its profits by moving capital in complicated ways. It is not at all clear if they generate any value for the economy. There is a phenomenon called financialization of the economy, and along with this process, there is the outsourcing of production. According to General Electric's annual report for the year 2021, the company generated a total of $85.9 billion in revenue during the fiscal year 2020. Of that amount, approximately 50% came from its financial divisions, including GE Capital, while the rest came from its energy, aviation, and healthcare divisions. In terms of profits, the report shows that General Electric achieved a net income of $5.2 billion in 2020.

The commercial system was reconstructed with the explicit aim of pitting workers against each other worldwide, leading to a reduction in the percentage of income received by the working class. According to data from the US Department of Labor, the average weekly wage for non-supervisory workers in the private sector in January 2022 was $962, being a 4.6% increase compared to January 2021. However, adjusted for inflation, the real average weekly wage for non-supervisory workers in the private sector in January 2022 was approximately 5% lower than in 1973. This suggests that although wages have increased nominally, they have not kept pace with inflation and productivity, meaning that the working class is receiving a smaller share of the wealth generated by the economy.

Furthermore, global competition has led to job offshoring and the importation of cheaper manufactured goods, which has affected some workers in the US who previously had well-paying manufacturing jobs. This has particularly hit the US but is happening worldwide, which means that a worker is competing

with the super-exploited worker in China, for example. To give an idea, in 2001 the minimum wage in the US was $5.15 per hour, while the minimum wage in China was around $0.40 per hour. Currently, the federal minimum wage in the US is $7.25 per hour, while in China the minimum wage varies by region but can be around $2 per hour in some urban areas. In general, workers in China earn much less than workers in the US and other developed countries, leading to unequal competition in the global labor market.

Highly paid professionals are protected; they do not have to compete with the rest of the world at all, and, of course, capital can move freely. Workers, on the other hand, cannot move freely, but capital can. Referring to the classics like Adam Smith, he noted that the free movement of labor is the basis of any free trade system, but workers mostly stay trapped. The rich and privileged are protected, receiving recognition and praise, while the consequences are obvious—they receive recognition and praise. Policies are designed to increase insecurity. Alan Greenspan, when testifying before Congress, explained his success in economic management with what he called "increased worker insecurity." The limitation on wage increases has become clear in recent years, but as I mentioned earlier, job insecurity plays a dominant role in this. By keeping workers insecure, you have them under control, and they will not demand decent wages or decent working conditions, nor the right to free association, meaning the right to form unions.

Greenspan has advocated for policies that reduce job security and increase flexibility in the labor market. For example, in a speech given in 1997 to the American Enterprise Institute, Greenspan said, "If we want our economy to grow faster, then we must increase worker insecurity." This stance is framed within the economic theory of labor flexibility, which argues that reducing labor rights and cutting barriers to hiring and firing allow companies to be more

competitive and promote economic growth. However, this theory has been criticized by many economists and labor activists who argue that labor flexibility only benefits employers and investors at the expense of workers and local communities. The elimination of labor rights and the reduction of barriers to hiring and firing can lead to greater job insecurity, lower wages, and increased wealth polarization. Similarly, the offshoring of production to countries with lower wages has also been criticized for its impact on the economy and society. While it may provide companies with a cost advantage, it can also have negative consequences such as job losses and deindustrialization in local communities, exploitation of workers in developing countries, and contribution to climate change due to increased transportation and greenhouse gas emissions. These two processes, financialization and production offshoring, have contributed to a vicious cycle of wealth and power concentration, where the interests of the rich and powerful are perpetuated at the expense of most of the population.

The American Dream, like many ideals, was partly symbolic but also partly real. In the 1950s and 1960s, it was the period of the greatest economic growth in American history. With the Golden Age, there was an equal growth, meaning that the poorest fifth of the country prospered at the same rate as the richest fifth. The government implemented some social welfare measures that improved the lives of most of the population. For example, a Black worker could find a decent job in an automobile factory, buy a house, a car, send their children to school, and so on. This applied to all areas of life.

When the United States was primarily an industrial center, it cared about its consumers within the country. It was well-known that Henry Ford increased the wages of his employees so that they could afford to buy cars. However, when we look at the international plutonomy, as the banks like to call themselves, which

is a small percentage of the world population accumulating increased wealth, they are no longer concerned about what happens to American consumers because most of them will not consume their products on a large scale anyway. Their goals are focused on quarterly profits, even if they are based on financial manipulations, high salaries, generous bonuses, offshore production if necessary, and production geared towards the wealthy classes in the country and their counterparts abroad. This dynamic has led to a situation where the global economy is increasingly disconnected from the reality of much of the population, contributing to growing economic inequality and the exclusion of large segments of society.

What about the rest? To refer to the rest, there is now a term being used called the precariat or precarious proletariat of the global working class, who live increasingly precarious lives, and this is related to the attitude towards the country. During the period of great economic growth in the 1950s and 1960s, when taxes on wealthy individuals, corporations, and dividends were much higher, the tax system was redesigned so that taxes for the rich decreased, and as a result, taxes for the rest of the population increased. Now, the tendency is to support taxes only on salaries and consumption, which is something that everyone must pay, rather than on dividends, which only affect the wealthy. The figures in this regard are quite shocking. Of course, there is a pretext for this. In this case, the pretext is that it encourages investment and increases employment, but there is no evidence of that. If you want to encourage investment, give money to the poor and the working class. They must survive, so they will spend their wages, which stimulates production, investment, and increases employment, and so on. If you are an ideologue of the ruling class, you follow a different line. In fact, it is almost absurd now. Corporations have pockets full of money. In fact, General Electric pays zero taxes and earns enormous profits. They register it elsewhere or defer payment, but they do not pay taxes upfront. This is a common

practice where the largest corporations in the U.S. have shifted the responsibility of supporting society onto the rest of the population. According to a report from the Institute on Taxation and Economic Policy, the sixty largest corporations in the U.S. evaded paying federal taxes in 2018, despite earning a total of $79 billion in profits. Other investigations have also found that many corporations use tax avoidance techniques to evade tax payments, including transferring profits to subsidiaries in tax havens or exploiting loopholes in the tax code.

Solidarity is quite dangerous from the perspective of the elites. They advocate for self-interest rather than concern for others, which differs greatly from the views of figures like Adam Smith, who based their economic stance on the principle of empathy, considering it fundamental in human interactions. However, these basic human emotions have been painstakingly uprooted from people's minds. This can be seen in the realm of politics, such as the attacks on social security. Social security is based on the principle of solidarity, which entails taking care of others. It means paying taxes from one's income so that the widow on the other side of the city has something to live on. This principle sustains a significant portion of the population, but it does not serve the interests of the wealthy, so they try to coordinate its destruction. One way to achieve this is by cutting off its funding. If you want to dismantle a system, start by defunding it. That way, it will not work, and people will become angry and demand something else. It is a standard technique for privatizing certain systems. It is true that the lack of funding can be used as a technique to weaken or dismantle systems, including public ones. This has been used in some cases to justify the privatization of public services, such as education and healthcare, arguing that the private sector can do it more efficiently. However, it is also important to consider that funding cuts can have negative consequences for users of these systems, especially those who depend more on public services, such as low-income sectors

or marginalized minorities. Moreover, privatization often does not lead to an improvement in the quality or accessibility of services but can create new barriers to access and increase costs for users. We can see this in their attacks on public schools, which are based on the principle of solidarity. The principle of solidarity states, "I happily pay my taxes so that the children across the street can go to school." That is a normal human emotion. However, they aim to eradicate it from our minds. If my children no longer attend school, why should I pay taxes? They want to privatize it, and thus the entire public education system, from daycare to higher education, is suffering a severe attack. It is one of the jewels of American society. The golden age of America was characterized by tremendous growth, and public education played a significant role. However, in over half of the states, university funding now comes from tuition fees rather than regular state funding. This is a radical shift, a tremendous burden for students, and it means that unless they come from wealthy families, they will end up heavily indebted after completing their studies. When you have significant debt, you are trapped. Perhaps you want to be a public interest lawyer, but you will have to work for a corporate firm to pay off those debts. Once you enter that world, you cannot easily escape it. This example illustrates how privatization and lack of state funding can affect higher education and, so, social and economic mobility. It can also affect the quality of education and research conducted at universities, as private funding may be driven by commercial interests rather than academic excellence. It is important to note that this issue is not exclusive to the United States; it has been seen in other countries where higher education has undergone processes of privatization and lack of state funding. According to data from the College Board, in the 2020-2021 academic year, the average cost of tuition and fees at a four-year public university was $10,560 for in-state students and $27,020 for out-of-state students. For private four-year universities, the average cost of tuition and fees was

$37,650. These costs do not include added expenses such as housing, meals, books, and supplies, which can add several thousand dollars per year. According to the Economic Policy Institute, in 2020, the average student debt for university graduates was $32,731.

If we analyze the history of regulations, such as railway and financial regulations, we will understand that they are typically driven by the economic consortia being regulated or supported by them. The reason is that they know they can eventually control the regulators. This eventually leads to what is known as regulatory capture, where the regulated businesses control the regulators. This goes to the extreme that bank lobbyists are the ones who effectively write financial regulation laws. This has been a recurring trend throughout history and is a natural outcome when considering the distribution of power.

One thing that expanded in the 1970s was lobbying to control legislation. Lobbying expenditures have significantly increased in recent decades. According to the Center for Responsive Politics, over $3.5 billion was spent on lobbying in Washington D.C. in 2020. Lobbying groups also have significant influence in the legislative process and the formulation of public policies in areas such as healthcare, the environment, labor rights, energy, and the military-industrial complex, among others.

In the 1970s, entrepreneurs were unhappy with the welfare state of the 1960s, particularly under Richard Nixon, who is not well regarded by the public but was the last president of the New Deal era and was considered a traitor to its principles. During Nixon's administration, consumer safety legislation and workplace health and safety regulations were enacted. Of course, this did not sit well with the entrepreneurs who disliked high taxes and regulations, so they started a coordinated effort to change things.

Lobbying increased exponentially, and deregulation began with great intensity.

There were no financial crises in the 1950s and 1960s because the regulatory apparatus of the New Deal was still in place. As they started dismantling it under financial, business, and political pressures, more economic collapses occurred. This continued for years, starting in the 1970s and intensifying in the 1980s. The Congress was asked to approve federal loan guarantees of between $1 billion and $1.5 billion for an automobile company. All of this was quite secure considering they knew the government would come to the rescue. For example, Reagan, instead of letting them pay the price, rescued banks like Continental Illinois, which became the largest rescue in U.S. history up to that point. As a result, Reagan's administration ended with a major economic crisis known as the savings and loan crisis.

This crisis was largely caused by the deregulation of the banking and savings and loan industry, which allowed for greater speculation and risky loans. When some of these loans were not repaid, financial institutions faced significant losses that threatened their solvency and the stability of the entire financial system. Instead of allowing troubled banks to collapse and bear the consequences of their bad decisions, as happened during the Great Depression in the 1930s, the U.S. government decided to bail them out. This led to a transfer of debt and risk from the private sector to the public sector, worsening the ongoing fiscal and economic crisis. According to U.S. government figures, the total cost of the crisis was estimated to be around $160 billion, including the cost of rescuing the involved financial institutions. It is also estimated that around 747 savings and loan institutions experienced financial problems during this period.

In 1999, the regulation that separated commercial banks from investment banks was dismantled, leading to the Bush and

Obama bailouts. Every time this happens, taxpayers are called upon to rescue those who created the crisis, which increasingly are the large financial institutions. The Gramm-Leach-Bliley Act cut the separation between commercial banks and investment and insurance banks, allowing financial companies to engage in a wide range of financial activities and enabling banks to merge with insurance companies and brokerages. This is considered a significant factor in the 2008 financial crisis. Regarding the bailouts, during the 2008 financial crisis, the George W. Bush administration approved a $700 billion rescue package known as the Emergency Economic Stabilization Act of 2008 to aid troubled banks and financial companies. Later, President Barack Obama implemented his own bailout program, the 2009 Economic Crisis Relief and Reinvestment Act, which included measures aimed at stabilizing the economy, such as capital injections into banks and help to homeowners facing foreclosure. The exact costs of these bailouts vary depending on sources and methodologies used to calculate them, but some estimates put the total cost to taxpayers at around $1.2 trillion.

In a capitalist economy, such events should not occur. In a capitalist system, investors who make risky investments would be allowed to fail. However, the rich and powerful do not want a capitalist system; they want to be able to run to the government for help as soon as they are in trouble and be rescued by the taxpayers. This is what is referred to as being "too big to fail." Companies and investors should bear the risks of their decisions and accept the consequences of their failures without resorting to state aid. However, in practice, the powerful and large corporations often have significant influence over the government and can exert pressure to obtain bailouts or tax exemptions that allow them to evade the consequences of their actions. This can create an unfair system where the powerful are protected and the less powerful are left to fend for themselves.

Nobel laureates in economics, such as Stiglitz and Krugman, strongly disagree with the path we are following. Stiglitz has been critical of financial deregulation and growing economic inequality, arguing that both undermine economic and social stability. Krugman, on the other hand, has been critical of fiscal austerity policies and has advocated for increased public investment to stimulate economic growth. He has also argued that economic inequality is a barrier to sustainable growth and that redistribution policies are necessary to address this issue.

The people chosen to solve the crisis are those who created it, such as Robert Rubin and people from Goldman Sachs. They created the crisis and now they are more powerful than ever. Is this a coincidence? No, when you choose those people to set up an economic plan, what did you expect to happen? Meanwhile, for the poor, they are left to prevail under the laws of the market without expecting any government help, so the government becomes the problem, not the solution. This essentially is neoliberalism, which has a dual nature that originates in economic history with a set of rules for the rich and a set of opposing rules for the poor. Nothing new is expected; it is the exact dynamic if the population consents to it. Until the next crisis, which credit rating agencies are eagerly awaiting as they evaluate the state of corporations, they are currently calculating the taxpayers' bailout. This means that the beneficiaries of these credits, the big banks, can request more money at lower costs and thus displace small competitors, leading to more concentration. Whichever way you look, policies are designed in this way, which should not come as a surprise to anyone. This is what happens when you place power in the hands of a small sector of the wealthy who are dedicated to increasing their own power, as expected. The concentration of wealth leads to the concentration of political power, especially because the cost of elections has skyrocketed, putting political parties in the pockets of large corporations.

The case of Citizens United in 2009 marked a highly significant decision by the Supreme Court of the United States. This decision has its roots in the Fourteenth Amendment, which was originally created to protect the rights of former slaves. The amendment states, "No person shall be deprived of life, liberty, or property, without due process of law." However, it has been interpreted to also protect corporations, granting them rights that go beyond those of individuals. Corporations, as legal entities created by the state, can be seen as controversial in considering them as "persons" under the law.

Over a century ago, corporations were granted individual rights, and throughout the years, these rights expanded, surpassing those of ordinary individuals. For instance, if General Motors were to invest in Mexico, they would obtain the same national rights as a Mexican company. While the notion of "personhood" was extended to include corporations, it was simultaneously restricted. Taking the Fourteenth Amendment literally, no undocumented foreigner should be deprived of their rights if considered a person. However, undocumented foreigners living in the United States, contributing to the construction of buildings for U.S. citizens or tending to their gardens, are not regarded as persons. In contrast, General Electric is recognized as a person—a perpetually existing and incredibly powerful entity. This perversion of basic moral principles and the obvious meaning of the law is astounding.

In the 1970s, the courts decided that money is a form of expression in the landmark case of Buckley v. Valeo (1976). This ruling laid the groundwork for the subsequent Citizens United case, which declared that the freedom of speech of corporations, particularly their right to spend money as they wish, cannot be limited. This means that corporations, which have already exerted significant influence through campaign donations, are now virtually unrestricted in their political spending. Consequently, there has

been a substantial influx of corporate money into politics, leading to concerns about the excessive influence of money in the political system and the ability of corporations to shape political decision-making in their own interests.

Many argue that this phenomenon has contributed to a dysfunctional political system incapable of effectively addressing the real issues faced by ordinary people. It stands for a significant threat to what stays of democracy. It is intriguing to examine judicial rulings, such as the pivotal case of Citizens United, in which the verdict considered corporations as persons and granted them freedom of speech. This raises the question of why General Electric cannot spend as much money as it wishes. While CBS was granted freedom of expression, it is expected of them as a media outlet fulfilling a public service role. On the other hand, General Electric's aim is to maximize profits for its CEO and shareholders. This incredible decision places the country in a position where corporate power extends beyond what was once imaginable. It perpetuates a vicious cycle.

There exists an organized force that, despite its many flaws, has traditionally been at the forefront of efforts to improve the lives of the general population. This force is the organized labor movement, which serves as a barrier against corporate tyranny. It is the only barrier that continues to function and prevent the perpetuation of this vicious cycle leading to corporate tyranny.

One of the main reasons behind the concentrated and almost fanatical attack on unions and the organized labor movement is that they serve as a democratizing force. They supply a barrier to defend the rights not only of workers but also the broader popular rights. This interferes with the privileges and power of those who own and control society. The anti-union sentiment among the U.S. elites is deeply ingrained, to the point where it threatens the basic foundations of labor rights.

The anti-union sentiment in the United States has historically been present and persists in certain sectors. Since the era of industrialization in the 19th century, employers have fought against workers' efforts to organize and form unions. Employers have used tactics such as dismissals, intimidation, and violence to prevent workers from joining together and bargaining collectively for better wages and working conditions.

Throughout the 20th century, the labor movement achieved significant advancements in terms of labor rights and protections. These include the establishment of the minimum wage, the 40-hour workweek, the right to collective bargaining, and job security. However, there are still many challenges and barriers to union organizing. The country has labor laws and regulations that hinder union organization, such as the Taft-Hartley Act of 1947, which restricts the ability of unions to strike and prove collective agreements with employers. Additionally, many states have so-called "right-to-work" laws, which allow non-unionized workers to receive help from collective bargaining agreements without paying union dues.

Despite these challenges, the organized labor movement continues to fight for better working conditions and rights for workers. Unions have supported workers in various industries and sectors, including education, healthcare, retail, construction, and manufacturing. They have also been strong advocates for public policies that help workers, such as increasing the minimum wage, protecting the rights of immigrant workers, and expanding social security. The basic principle of the International Labor Organization is the right to organize and form unions, something that has never been ratified in the United States. The U.S. stands alone in this regard compared to other major societies. It was not always a taboo in American politics, as the U.S. working class has a long and violent history compared to other similar societies.

However, the labor movement had been strong until the 1920s, a time like today, when it was practically crushed. In the mid-1930s, the movement began to rebuild. Even President Franklin Delano Roosevelt expressed his support for progressive legislation that would benefit society. However, he needed a way to get that legislation approved. He told union leaders and others, "Make me do it." His words meant that they should take to the streets, organize protests, and develop the labor movement. When there is enough popular pressure, I will be able to pass the legislation you want. In the mid-1930s, there was a combination of a favorable government and significant popular activism. There were strikes and sit-down actions that greatly frightened the owners. Businesspeople were horrified. If you read the economic press from the late 1930s, you will see discussions about the risk that industrial employers faced from the growing political power of the masses, which needed to be suppressed. During World War II, there was a temporary pause, but at once after the war, the business offensive began with full force. McCarthyism was used as propaganda by the business community to attack unions and it increased during the years of Ronald Reagan. It continued in the 1990s during the Bush administration. Although McCarthyism itself ended in the mid-1950s, anti-union and anti-communist attitudes persisted in the following decades. The administration of Ronald Reagan was known for its anti-union and anti-government stance. Reagan fired 11,000 air traffic controllers who went on strike in 1981, which had a lasting impact on the labor movement. He also dropped many worker protections, such as the rights to unionize and legislation that protected workers from discrimination in the workplace. During the 1990s, under the administration of George H.W. Bush, there was also a hostile attitude towards unions and the labor movement in general. The administration worked to weaken workers' rights in both the public and private sectors and promoted policies that favored employers at the expense of workers. In

summary, hostility towards unions and organized labor has been a constant in American politics, fueled by various factors including business propaganda, antipathy towards communism, and political ideology. Currently, less than 7 percent of private sector workers are unionized. According to the U.S. Bureau of Labor Statistics, in 2021, the unionization rate in the private sector was 6.3%, compared to 16.8% in 1983. This decline can be attributed to various factors, including increasing pressure from companies to discourage unionization, job outsourcing to countries with cheaper labor, and a series of government policies that have weakened labor and union rights. As a result, the traditional resistance to the offensive conducted by the business class, which has a strong class consciousness, has dissolved.

Now, when one is in a position of power, they want to support class consciousness for themselves but drop it for others. During the early years of the Industrial Revolution in the United States, the working class was acutely aware of this. They viewed wage labor as a form of slavery, and it was such a popular idea that it became the slogan of the Republican Party. This was a strong class consciousness. However, those who hold power and privileges have no interest in the people having ideas related to class consciousness. They do not want them to know that they belong to the oppressed class. As a result, we have one of the few societies where class is simply not discussed. However, the concept of class is quite simple—orders and those who fulfill them essentially define the class. Of course, it is more nuanced and complex, but that is the basic idea.

The public relations industry, the advertising sector dedicated to creating consumers, is a phenomenon that developed in the freest countries like Great Britain and the United States. There is a clear reason for this. About a century ago, it became clear that controlling the population through force was not going to be easy.

Too much freedom had been gained. There were workers' organizations, labor parties in many countries' parliaments, women were gaining the right to vote, and so on. Other means were needed to control people, and it was concluded and clearly expressed that to control individuals, it was necessary to control their beliefs and attitudes. One of the most effective ways to control people in terms of attitudes is what the great political economist Thorstein Veblen called the manufacturing of consumers. If someone can manufacture a product and make people believe that it is essential for giving meaning to their lives, they will become trapped in the role of a consumer.

Thorstein Veblen's theory of the manufacturing of consumers is interesting and relevant today, where advertising and marketing are omnipresent. Veblen argued that capitalism relies on creating an anxious and eager consumer who is willing to buy anything to satisfy their desire for status and social recognition. In his book "The Theory of the Leisure Class," Veblen described how advertising and marketing are used to stimulate demand for goods and services that are not necessary for daily life but are seen as symbols of status and prestige.

The manufacturing of consumers can have negative consequences for society and the environment as it encourages excessive consumption and waste of natural resources. It can also be detrimental to people's health and well-being as it can foster addiction to certain products and indebtedness. In response to this, some economists have proposed alternatives to the model of consumption based on constant growth, such as the circular economy and the sharing economy, which focus on the reuse and exchange of existing resources rather than the constant production of new goods. These theories look to promote more conscious and sustainable consumption and can help reduce dependence on the manufacturing of consumers in the capitalist economy.

Expanding on the analysis, it is important to recognize the profound impact of the manufacturing of consumers on society and individuals. The relentless promotion of consumerism not only shapes people's desires and aspirations but also perpetuates a culture of materialism and status-seeking. Advertising and marketing techniques are carefully designed to create a sense of need and urgency, convincing individuals that their happiness and fulfillment can be found through the acquisition of products and services.

In this context, the manufacturing of consumers becomes a powerful tool for supporting and reinforcing social and economic inequalities. By equating personal worth with material possessions and status symbols, it worsens the divide between the haves and the have-nots. Those who are unable to keep up with the consumerist ideals are often marginalized and stigmatized, leading to feelings of inadequacy and exclusion.

Moreover, the manufacturing of consumers is closely intertwined with the workings of the capitalist system. It relies on the continuous expansion of markets and consumption to sustain economic growth and profitability. This drive for perpetual growth, however, comes at the expense of finite resources and environmental degradation. The overconsumption and waste generated by the manufacturing of consumers contribute to climate change, resource depletion, and ecological imbalances, posing significant challenges for the long-term sustainability of our planet.

Critics argue that the manufacturing of consumers also perpetuates a cycle of debt and financial instability. To keep up with the idealized lifestyles portrayed in advertising, individuals may resort to excessive borrowing and credit, leading to personal financial crises and wider systemic risks. This can further worsen social inequalities, as those with limited financial means are more likely to fall into debt traps and face financial hardships.

To address these issues, alternative approaches to consumption and economic systems have appeared. The concept of a circular economy, for instance, aims to minimize waste and maximize resource efficiency by designing products for durability, repairability, and recyclability. By shifting towards a more sustainable and regenerative model, the circular economy looks to reduce the dependence on constant production and consumption of new goods.

Similarly, the sharing economy promotes the collaborative use of resources, encouraging the sharing, renting, and swapping of goods and services. This model emphasizes access over ownership and fosters community connections, thereby reducing the need for excessive production and the associated environmental impacts.

Education and awareness play a crucial role in challenging the manufacturing of consumers and promoting more conscious consumption patterns. By fostering critical thinking and media literacy, individuals can develop a better understanding of the persuasive techniques used in advertising and make more informed choices about their consumption habits.

The manufacturing of consumers is a powerful force that shapes our desires, behaviors, and societal structures. It perpetuates a culture of materialism, contributes to social inequalities, and poses significant environmental challenges. Exploring alternative models of consumption and promoting conscious and sustainable choices can help counterbalance the influence of the manufacturing of consumers and pave the way towards a more fair and environmentally responsible future.

In the economic press of the 1920s, there was a discussion about the need to divert people's attention towards the superficial aspects of life, such as fashion consumption, to keep them away from other matters. This strategy is known as "demand manipulation" and involves creating wishes and needs in consumers

through advertising and marketing techniques, thereby boosting product sales and increasing company profits. Marketing and advertising experts employ a variety of techniques to manipulate demand, including creating artificial needs, generating consumer anxiety and fear, creating stereotypes, and using emotional persuasion. Often, these techniques are subtly employed so that consumers are unaware that they are being manipulated. The result of this strategy is that people tend to focus on consumption and the accumulation of material goods, rather than prioritizing more important aspects of life such as family, relationships, community, and politics. At the same time, demand manipulation can have negative effects on people's mental health, leading to feelings of dissatisfaction, anxiety, and fostering compulsive and addictive behaviors. Unfortunately, neoliberalism as an economic model has been a failure in terms of its ability to supply a better life for most of the population. The wealth gap between the rich and the poor has continued to widen, neoliberal economic policies have contributed to the growing precariousness of work and the erosion of labor rights, and the privatization of public services has resulted in a decline in the quality of life for many individuals. Instead of continuing in this direction, we need a new economic vision that prioritizes human well-being and environmental stewardship over corporate profits.

This idea is reflected in the thoughts of progressive intellectuals such as Walter Lippmann, one of the prominent progressives of the 20th century. In his famous work "Public Opinion" published in 1922, Lippmann argued that the public needed to be put in its place so that responsible men could make decisions without interference from the "confused multitude." According to him, the public should be spectators rather than participants, and this would ensure a well-functioning democracy. Lippmann believed that most people lacked the ability and time to critically investigate and analyze political and economic issues, thus

needing an "intelligent and responsible" elite to assume that responsibility. However, this idea was widely criticized by other progressive thinkers, such as John Dewey, who argued that democracy needed an active and informed citizenry, and that informing and educating the public was a fundamental task of government and educational institutions.

The manipulation of demand through advertising and marketing techniques has had significant implications for consumer behavior and societal values. The failure of neoliberalism as an economic model has highlighted the need for alternative approaches that prioritize human well-being and environmental sustainability. Additionally, the contrasting viewpoints of intellectuals like Lippmann and Dewey underscore the ongoing debate about the role of an informed and active citizenry in democratic societies.

The history of propaganda has exploited this with one aim: to manufacture consumers. The ideal scenario is what we see today, for example, when teenagers have a free Saturday afternoon and choose to go to a shopping mall instead of a library or any other place. The idea is to try to control everyone to transform society into a perfect system. This perfect system would be based on a duality, where the individual and their television, or perhaps nowadays the individual and the internet, play a central role. Television and the internet depict to individuals what a suitable life should look like and what gadgets one should own. As a result, individuals end up spending their time and efforts on buying things they do not genuinely want or need, which they may eventually discard but believe necessary for a decent life.

This phenomenon can be seen, for example, in television commercials. If you have taken an economics course, you know that markets should be based on informed consumers who make rational decisions. However, automobile commercials are not

designed this way. Instead of providing concrete information about the products available, car commercials feature a soccer star or an actor engaging in some daring activity with the vehicle, like climbing a mountain. The intention is to create ill-informed consumers who make irrational decisions. This is the aim of advertising. When the same institutions that include, the public relations system organize elections, they employ similar tactics. They look to create an ill-informed electorate that makes irrational choices, often against their own interests. We see this each time these extravaganzas occur. Just after the elections in the United States, President Obama received an award from the advertising industry for his campaign, and the international economic press talked about the executives' euphoria. This suggests that they have been viewing and promoting candidates as if they were toothpaste, from Reagan to the present.

Obama's campaign was widely praised for its innovative approach and effectiveness in mobilizing voters. However, it also faced criticism for relying on microtargeting techniques and emotional manipulation. The electoral campaign typically involves little discussion of political issues, and there is a good reason for it: public opinion on policy matters greatly differs from what the leaders of the two major parties and their financial sponsors desire. Policies are increasingly focused on the private interests of campaign funders, leaving the public marginalized. One of the most prominent political scientists, Martin Gilens, presented a study on the relationship between attitudes and public policies, revealing that nearly 70% of the population has no influence over policies. This situation can be seen in any other country as well. People are aware of it, and as a result, they are indignant, frustrated, and distrustful of institutions. However, they are not acting constructively to address these issues, and popular immobilization and activism are taking a global, self-destructive form. This manifests as aimless fury directed against each other and vulnerable groups, as we see in cases like these.

This is precisely the goal: to make people hate and fear one another, and to focus solely on themselves without acting for the benefit of others. It is a measure, at least in the public consciousness, of how democracy is functioning. Unfortunately, it does not paint an appealing picture.

The trends we have been describing in American society, unless they change, show that it is heading towards a dreadful society, one based on Adam Smith's vile maxim of "all for myself and nothing for the rest." It would be a society where normal human instincts and emotions of empathy, solidarity, and mutual support do not exist. If society is controlled by private wealth, it will reflect the values it currently embodies: the value of greed and desire, of maximizing personal gains at the expense of others. Any small society based on these principles is unpleasant, but unfortunately, it can survive. However, a global society based on these principles is heading towards destruction.

The increasing trends of inequality and concentration of economic power carry a high risk of becoming a dreadful society. If most of the wealth and economic power is concentrated in the hands of a few individuals or corporations, the rest of society is left without the necessary resources to live with dignity and without the ability to influence public policies that affect them. This can lead to a society where increased people are desperate and hopeless, which, in turn, can result in increased crime, violence, and social disorder. Moreover, a society in which most people feel they have no influence over public policies is a society where trust in democratic institutions is lost, and citizen participation is reduced.

The idea of "all for myself and nothing for the rest" has become popular in American culture and reflects the mindset of certain sectors of society who believe that individual success and wealth accumulation are more important than collective well-being and social justice. If this mindset becomes the norm in American

society, the sense of community and solidarity that are fundamental to a democratic and just society would be lost. Therefore, it is important to take measures to combat the concentration of economic power and inequality, to foster citizen participation, and to promote policies that ensure a minimum level of well-being for the entire society. Only in this way can we prevent the United States from becoming a dreadful society and ensure a fairer and more sustainable future for all.

It is important to note that these types of predictions are not necessarily inevitable or definitive, and there is still room to change the direction of American society. Many activists and social movements are working hard to fight against inequality and the concentration of power, and there is a growing recognition of the need for significant change in politics and the economy. Additionally, history has shown that societies can undergo drastic changes through struggle and collective organization. It is important to support a critical perspective and stay informed about the challenges and opportunities we face as a society.

While it is not simple to design in detail what a perfectly just and free society would look like, we can guide it, and more importantly, we can ask how we can progress in that direction. Although there is no magic formula for designing a perfectly just and free society, we can work towards it. One way to move towards a more just society is by paying attention to public policies that promote equal opportunities and social justice. Some of these policies may include removing economic, social, and cultural barriers so that everyone has access to education, healthcare, housing, and basic public services. We can also work on creating a justice system that protects people from discrimination and ensures access to justice for all individuals. Other policies may involve regulating large corporations to prevent excessive concentration of power and the exploitation of workers and the environment.

Furthermore, we can promote participatory democracy and citizen engagement in decision-making to ensure that all voices are heard, and decisions are made in the interest of the common good, rather than just a few privileged individuals.

John Dewey, a prominent social philosopher of the late 20th century, argued that all productive, commercial, and press institutions, unless under democratic control and participation, would not result in a functioning democratic society. As he said, "Politics will be the shadow cast on society by big business." For Dewey, democracy was not just a political system, but also a way of life in which people were engaged in the common good and the construction of a just and fair society. He believed that education was crucial to achieving a democratic society and that schools should teach practical and civic skills to foster citizens' participation in society.

Chomsky, on the other hand, asserts that structures of authority, domination, and hierarchy, where someone gives orders and someone obeys them, must justify themselves. Upon closer examination, these structures often do not justify themselves, and if they cannot, they need to be dismantled. The aim is to expand the domain of freedom and justice by dismantling illegitimate forms of authority. Fortunately, the progress we have seen in recent years has been precisely that. Take freedom of speech, for example, one of the true achievements of American society. It is not enshrined in a law or the constitution. The recognition of freedom of speech reached the Supreme Court in the 20th century, with significant contributions occurring in the 1960s during the Civil Rights Movement. It was the result of a massive popular movement that demanded rights and refused to back down. In that context, the Supreme Court set up a high standard for freedom of speech. Another example is women's rights. Women also started challenging oppressive structures, refusing to accept them and

rallying others to join their cause. It is through such collective action that rights are won.

Our society, cultural level, and institutions have significant flaws that need to be corrected, often requiring actions outside the commonly accepted framework. We will have to find new forms of political action. Activists are the ones who have created the rights we enjoy today. They not only implement policies based on the information they receive but also contribute to our understanding. It is important to remember that it is a reciprocal process. We must learn how the world works, which will help us understand how to move forward. There are great opportunities. It is a free society, and while the U.S. government may have the ability to coerce, corporations may try to exert influence, they do not have the necessary mechanisms. There are many things that can be done if people organize and fight for their rights, as they have done in the past, leading to many victories. What matters are the countless small acts carried out by anonymous individuals today, laying the foundation for significant events that will be remembered in history. They are the ones who have conducted important things in the past, and they are the ones who will have to do them in the future. Expanding on the analysis, we can see that both Dewey and Chomsky emphasize the importance of democratic control and participation in shaping a just and fair society. Dewey's argument that all institutions, including productive, commercial, and press institutions, should be subject to democratic control underscores the need for power and decision-making to be distributed among the people. This perspective aligns with the principles of democracy, where citizens are actively engaged in decision-making processes and have equal opportunities to take part in shaping their society. Chomsky's critique of authority, domination, and hierarchy further highlights the need to question and challenge structures that perpetuate inequality and oppression. His assertion that structures of authority must justify themselves emphasizes the importance of

accountability and the examination of power dynamics within society. Chomsky's examples of freedom of speech and women's rights prove the transformative power of collective action in challenging and reshaping oppressive systems.

Both Dewey and Chomsky acknowledge the role of activism and grassroots movements in driving societal change. They emphasize that progress and the achievement of rights are not handed down from above but are the result of concerted efforts by individuals and communities. By organizing, mobilizing, and challenging unjust systems, people can pave the way for a more just and inclusive future. To put it briefly, the analysis of Dewey and Chomsky's perspectives highlights the significance of democratic control, participation, and collective action in building a fair and fair society. Their insights encourage us to critically evaluate existing structures, challenge unjust authority, and actively work towards a more democratic and just future.

# SOLIDARITY ECONOMY

Exploring its characteristics, benefits, and challenges.

The concept of solidarity economy has become a topic of growing interest worldwide. This form of economy is based on collaboration, mutual aid, and solidarity, as opposed to the competition and profit-driven nature of traditional capitalism. In this chapter, we will explore the characteristics, benefits, and challenges of solidarity economy.

Solidarity economy is defined as an economic organization that looks to meet human needs through collaboration, mutual aid, and solidarity, instead of competition and profit. This form of economy is based on the creation and strengthening of networks of cooperation and solidarity, where people work together to meet their needs and improve their living conditions.

One of the key characteristics of solidarity economy is its focus on individuals and communities. Rather than prioritizing wealth accumulation and individual benefit, it looks to improve people's living conditions and strengthen the community. This is achieved through the creation of networks of collaboration and solidarity, where people work together to meet their needs and improve their living conditions. It also emphasizes environmental sustainability and social justice. Instead of exploiting natural resources and people for profit, solidarity economy aims to protect the environment and ensure social justice. This is achieved through the implementation of practices and policies that promote sustainability and social justice.

The benefits of solidarity economy are numerous. Firstly, it promotes social inclusion and equal opportunities by allowing people to work together to meet their needs and improve their

living conditions. Secondly, it promotes environmental sustainability by encouraging practices and policies that protect the environment. Lastly, it cultivates economic democracy by enabling people to have control over their own economy and make decisions collectively.

However, solidarity economy also faces several challenges. One of the main challenges is the lack of financing and support from the government and traditional financial institutions. Additionally, it faces challenges related to organization and coordination, as it often involves the creation of networks and collaboration among diverse organizations and communities. This can be challenging due to the complexity of coordination and the need to build relationships based on trust and solidarity. According to some authors, "solidarity economy faces the difficulty of reconciling the need for coordination and the need to preserve the diversity and autonomy of its actors" (Laville, 2010).

Solidarity economy offers an alternative economic model that prioritizes collaboration, mutual aid, and social justice. While it presents many benefits, such as social inclusion and environmental sustainability, it also meets challenges related to financing, organization, and coordination. Nonetheless, the continued exploration and development of solidarity economy hold the potential to foster a more fair and sustainable economic system.

The Solidarity Economy, also referred to as the Solidary Economy, encompasses a transformative economic model that has garnered increasing interest worldwide. In contrast to the competitive and profit-driven nature of traditional capitalism, this alternative approach is built upon principles of collaboration, mutual aid, and solidarity. Delving into the multifaceted nature of the Solidarity Economy, this analysis aims to explore its distinctive characteristics, potential benefits, and the myriad challenges it faces.

At its core, the Solidarity Economy stands for an economic organization focused on meeting human needs through cooperation, mutual support, and solidarity, rather than through competition and profit-seeking. It centers on proving and strengthening networks of cooperation and solidarity, where individuals work together to satisfy their needs and improve their living conditions. Notably, a pivotal feature of the Solidarity Economy lies in its emphasis on individuals and communities, shifting the focus away from wealth accumulation and individual gain to enhancing people's quality of life and bolstering community well-being. This is achieved through the creation of collaborative networks and solidarity-driven initiatives, wherein individuals pool their resources and efforts to meet their needs and enhance their living conditions. Moreover, the Solidarity Economy prioritizes environmental sustainability and social justice, aiming to safeguard the environment and ensure fair and fair outcomes. It pursues these goals by implementing practices and policies that promote sustainability and social justice.

The benefits of the Solidarity Economy are manifold. Firstly, it fosters social inclusion and equal opportunities by enabling individuals to work collectively to meet their needs and improve their living conditions. Secondly, it promotes environmental sustainability by encouraging practices and policies that protect the environment. Finally, it cultivates economic democracy by empowering individuals to have control over their own economic activities and make decisions collectively. Nevertheless, the Solidarity Economy faces various challenges. One major hurdle lies in the lack of financial resources and support from governments and traditional financial institutions. Furthermore, it meets difficulties in terms of organization and coordination, given that it often involves creating networks and collaborations among diverse organizations and communities. The complexity of coordination and the necessity to build relationships based on trust and solidarity

can present challenges. As noted by Laville (2010), "the Solidarity Economy faces the difficulty of reconciling the need for coordination with the need to preserve the diversity and autonomy of its actors."

Another significant challenge is the limited access to financial and technical resources needed for the development of Solidarity Economy projects and ventures. Laville (2010) asserts that the Solidarity Economy meets a triple difficulty: the lack of financial and technical resources, the weakness of support structures, and the ignorance or hostility of public authorities. Overcoming these obstacles needs finding innovative avenues for financing and support, as well as strengthening the support infrastructure. Despite these challenges, the Solidarity Economy has proven its viability and sustainability as an alternative model to address inequalities and promote local development. With its focus on collaboration, solidarity, and democratic participation, the Solidarity Economy has the potential to contribute to the creation of a more just and fair society. As Laville (2015) highlights, the Solidarity Economy is rooted in building horizontal and collaborative relationships, which can be challenging in a world dominated by competitive economic relationships and market logic. This may require the creation of specific structures and mechanisms to ease cooperation and exchange, such as networks for exchanging goods and services, worker cooperatives, or participatory governance structures. Moreover, the Solidarity Economy meets challenges in terms of financing and sustainability. Gutiérrez and Novy (2016) assert that Solidarity Economy initiatives often face difficulties in accessing financial resources and economic support, which can limit their capacity to grow and develop. Thus, it is crucial to explore innovative financing and support mechanisms for Solidarity Economy initiatives, such as social investment funds or crowdfunding. Another key challenge lies in reconciling the economic and social goals of the Solidarity Economy with the

demands of the market. Balancing the imperative to compete in a globalized and demanding market while upholding commitments to social justice and sustainability requires adopting innovative marketing and distribution strategies. These strategies would enable Solidarity Economy initiatives to thrive in the global marketplace without compromising their core values and principles. The Solidarity Economy is a compelling alternative to traditional capitalist models, emphasizing collaboration, solidarity, and democratic participation. Although it faces significant challenges related to organization, financing, and sustainability, the Solidarity Economy offers a sustainable and fair pathway to address social inequalities and promote local development. By exploring new forms of cooperation, securing adequate funding, and adopting creative marketing strategies, the Solidarity Economy can continue to grow and make substantial contributions toward building a more just and sustainable society.

Unfortunately, as an alternative economic model, the solidarity economy lacks exact figures about its reach and growth, as it is a broad and diverse movement that is not regulated by a central body. Nevertheless, several studies and analyses supply an estimate of its impact in certain regions and sectors. For instance, a report by the United Nations Development Programme (UNDP) writes down that in Latin America and the Caribbean, the solidarity economy employs over eleven million people and generates 10% of the Gross Domestic Product (GDP) in countries like Brazil and Uruguay. Furthermore, it has been seen those cooperatives, one of the most common forms of the solidarity economy, have a higher survival and business success rate compared to traditional enterprises. Another study conducted by the Network of Alternative and Solidarity Economy Networks (REAS) in Spain revealed a 17% growth in the solidarity economy sector between 2013 and 2017, with approximately 10,000 businesses and organizations running under this economic model. While these

figures are limited and do not stand for the full scope of the solidarity economy, they write down a growing model with the potential to generate employment, economic development, and reduce inequalities.

Moreover, data shows that cooperatives, as one of the most prevalent forms of the solidarity economy, have a higher survival and business success rate compared to traditional enterprises. A study carried out by REAS in Spain revealed a 17% growth in the solidarity economy sector between 2013 and 2017, with approximately 10,000 businesses and organizations operating under this economic model. This suggests that the solidarity economy has the potential to sustainably generate employment and economic development eventually. It is important to note that these figures do not encompass the full extent of the solidarity economy, as many initiatives and projects are not included in official statistics. However, the upward trend in the growth of the solidarity economy writes down that it is a workable and expanding economic alternative.

The solidarity economy is based on values such as solidarity, cooperation, equity, and sustainability, and promotes the creation of businesses and organizations that look to generate economic, social, and environmental benefits. Some examples of companies and organizations that apply this model include:

Worker cooperatives: These are enterprises in which the workers are owners and manage the business democratically, sharing the benefits and decision-making. Worker cooperatives can take various forms, such as production cooperatives, service cooperatives, consumer cooperatives, among others. An example of this type of cooperative is the Cooperativa Integral Catalana in Spain, which takes part in the production and distribution of organic food and other products. According to data from the International Cooperative Alliance (ICA), there were over three

million cooperatives worldwide in 2019, with more than 1.2 billion members and generating over 280 million jobs. Worker cooperatives are estimated to exceed 10,000 globally, employing over five million individuals. Countries like Italy and Argentina have recognized worker cooperatives as a legal form of enterprise and have seen significant growth in recent decades. Overall, worker cooperatives have been shown to help both employees and the economy at large by generating employment and fostering democratic participation in business management. Additionally, as workers are owners of the enterprise, they have an added incentive to work efficiently and ensure the long-term success of the business.

The solidarity economy also encompasses other models, such as fair-trade organizations, social currencies, community-supported agriculture, and mutual aid networks, among others. Each of these models contributes to building an economy centered on social and environmental well-being, aiming to address systemic issues of inequality and promote a more just and sustainable society. The solidarity economy faces challenges in terms of organization, financing, and sustainability, as well as the need to reconcile its economic and social aims with the demands of the global market. Nonetheless, the growing interest and proven successes of the solidarity economy prove its potential as a transformative economic model that prioritizes people and the planet over profit. As societies grapple with pressing issues such as inequality, climate change, and social justice, the solidarity economy offers a promising pathway towards a more fair and sustainable future. Ethical banking and finance: Ethical banks and financial institutions stand for a critical and active response to the prevailing dynamics of financial speculation and profit maximization that have characterized the functioning of the global economy in recent decades. In a context where the social and economic inequality gap has significantly widened, and environmental degradation and the climate crisis have

become pressing global issues, these financial entities appear as a concrete and effective alternative. Ethical financial institutions promote a fairer and more sustainable economy by investing in projects that generate positive social and environmental impact. While traditional banks look to maximize profitability, even at the expense of labor exploitation, environmental degradation, and increasing inequality, ethical banks and finance institutions, such as Triodos Bank, are oriented towards social and environmental benefits. Additionally, these ethical banks and finance institutions avoid speculation and excessive risk-taking in managing their resources, thereby contributing to minimizing the risks of financial instability and economic crises. Instead, they focus on financing projects that promote social justice, equality, and sustainable development. In conclusion, the existence of ethical banks and finance institutions presents a practical alternative to promote a fairer and more sustainable economy. For example, according to Triodos Bank's annual report for 2020, 83% of the loans granted by the institution were directed towards sustainable and social projects, such as renewable energy, organic agriculture, sustainable housing, and cultural and social initiatives. Similarly, the report highlights that the bank has financed a total of 1,200 sustainable projects across Europe and Latin America, and that 96% of the funded projects meet the bank's sustainability criteria. Another example of an ethical financial institution is the Dutch bank ASN Bank, which reports that 96% of its investments are dedicated to sustainable and ethical projects and businesses, such as renewable energy, sustainable transportation, social housing, and companies that promote gender equality and diversity. These examples illustrate how ethical banks are committed to financing sustainable and social projects, translating into concrete investment in the real economy that looks to have a positive impact on the environment and society.

Social enterprises: Social enterprises supply an alternative to the traditional business model that aims to maximize profits at any cost. These enterprises look to address a social or environmental problem through the production and sale of goods and services. Instead of maximizing profits for their shareholders, social enterprises reinvest their profits into their social mission, aiming to have a positive impact on society and the environment. An example of a social enterprise is the clothing brand Patagonia, which specializes in producing outdoor clothing and accessories. In addition to offering high-quality products, Patagonia focuses on environmental and social sustainability. The company has implemented a range of initiatives to reduce its environmental impact, such as using recycled and organic materials in its products and has created programs to support local communities and environmental projects. Patagonia also donates 1% of its annual sales to nonprofit organizations working on environmental conservation and protection. Social enterprises like Patagonia show that it is possible to conduct business responsibly and have a positive impact on society and the environment. As more companies adopt this approach, we may see a transformation in the business world towards a fairer and more sustainable model.

For example, according to a 2018 report by the consulting firm Oxfam, it is estimated that large corporations evade paying around $100 billion in taxes each year worldwide. This amount stands for a significant pool of resources that could be directed towards funding public policies and social programs for the benefit of society. Regarding tax evasion, a 2019 study by the Organization for Economic Cooperation and Development (OECD) estimated that member countries of the organization lose around $240 billion per year due to tax evasion practices, which is a significant loss of revenue for states and affects equity and tax justice. In general, the solidarity economy looks to change the dominant economic paradigm based on short-term profit maximization, competition,

and individualism, and promotes a fairer, more sustainable, and democratic economic model where social and environmental aspects are highly valued.

# CIRCULAR AND REGENERATIVE ECONOMY:

## Characteristics and Evolution

The concept of the circular and regenerative economy has gained increasing importance in the search for sustainable solutions for economic development. This approach is based on designing economic systems that minimize waste generation and natural resource extraction, and promote reuse, recycling, and regeneration. The circular economy focuses on perfecting the life cycle of materials, products, and natural resources, while the regenerative economy focuses on the restoration and enhancement of ecosystems and natural resources. In recent years, there has been a growing interest among governments, businesses, and civil society organizations in developing models of the circular and regenerative economy. For example, the European Union has adopted a Circular Economy Action Plan with the aim of promoting a more circular economy in the region.

> "Regenerative economy is based on the idea that economic and ecological systems are intrinsically interconnected and that the regeneration of one is essential for the regeneration of the other." (Economic Innovation Group, 2018)

According to a report by the Ellen MacArthur Foundation, the global adoption of the circular economy is estimated to generate an economic benefit of up to $2.7 trillion by 2030. Additionally, it is also estimated that the circular economy could create up to 700,000 added jobs in Europe by 2030.

> "The circular economy aims to maintain products, components, and materials at their highest value and utility at all times, reducing waste generation and minimizing the use of natural resources." (Ellen MacArthur Foundation, 2013)

Regarding the evolution of the circular economy, Amsterdam can be highlighted as a case study. The city has adopted a comprehensive approach to the circular economy in its economic development strategy. Amsterdam has implemented measures such as the creation of a secondary materials market and the promotion of the functional economy, which involves offering services instead of products to reduce waste generation.

Another example is that of Interfaz, a global leader in modular carpet manufacturing, which has adopted a circular economy approach in its business strategy. The company has implemented measures such as the use of recycled materials in the manufacturing of its products and the design of modular products that ease their reuse and recycling at the end of their life cycle.

> "In the circular economy, innovation focuses on the reuse, repair, remanufacturing, and recycling of products and materials, and on generating new business models based on sustainability." (Massachusetts Institute of Technology, 2019)

The circular and regenerative economy has been the subject of various studies and projects worldwide. For example, in the United Kingdom, the technology company ReLondon launched a program called "Advanced London" in 2019, which aims to transform the city's waste and resource system into a circular economy by 2030. The program involves a wide range of businesses, institutions, and organizations to implement innovative solutions in waste and resource management, including the creation of infrastructure for material recovery and reuse, the promotion of circular products and services, and the implementation of exchange and collaboration systems among businesses. A study conducted by the Ellen MacArthur Foundation in 2019, titled "Circular Economy in Action," presented several case studies in different sectors and regions of the world that have successfully implemented circular and regenerative solutions. For example, in the textile sector, the

Spanish company Ecoalf has developed a technology that allows the transformation of marine plastic waste into high-quality materials to produce sustainable fashion garments and accessories. Another notable case study is that of the city of San Francisco, which has implemented policies and programs to promote the circular economy and reduce waste generation. For instance, the city has enacted a law that requires all organic waste to be recycled or composted and has set up a "green purchasing" program that promotes the acquisition of sustainable and circular products and services by businesses and the local government.

It is worth noting that the circular and regenerative economy is gaining momentum globally. According to a report by the Ellen MacArthur Foundation, the circular economy is expected to grow from a value of $1.2 trillion in 2018 to $4.5 trillion by 2030, standing for a significant opportunity to address current economic, environmental, and social challenges.

> "The circular and regenerative economy can drive innovation, resource efficiency, job creation, and economic growth, while reducing environmental impact and increasing system resilience." (Organization for Economic Cooperation and Development, 2019)

Regarding regeneration, a report by the International Union for Conservation of Nature (IUCN) shows that restoring 350 million hectares of degraded land by 2030 could generate economic benefits worth up to $9 trillion. It is also estimated that ecosystem regeneration could create up to 191 million jobs worldwide by 2030.

To enhance the transition to a circular and regenerative economy, a collaborative and systemic approach is needed, involving all relevant stakeholders, including businesses, governments, consumers, and communities. Some possible solutions include:

Designing products and services with a focus on circularity and regeneration: Companies can design products and services that are more durable, repairable, and recyclable, and use sustainable materials and production processes.

Promoting reuse and recycling: It is important to encourage the reuse and recycling of products and materials and develop efficient systems for waste recovery and processing.

Establishing policies and regulatory frameworks: Governments can prove policies and regulatory frameworks that promote the circular and regenerative economy, such as tax incentives for companies adopting more sustainable practices, and the promotion of sustainability and efficiency standards.

Cultural change: A cultural shift is also needed, where consumers become more aware of their choices and lifestyles, and demand more sustainable products and services.

In summary, the transition to a circular and regenerative economy is a complex process that demands collaboration and commitment from multiple stakeholders, as well as changes in how we produce, consume, and manage resources. It is an opportunity to build a more just, sustainable, and resilient economic system that considers the limits of natural resources and the needs of future generations.

There are several improvements that can be proposed to advance towards a circular and regenerative economy. Firstly, promoting innovation and research in technologies and practices that enable more efficient and sustainable resource management. This could involve increased investment in research and development by companies and governments, as well as creating incentives to foster innovation. Secondly, moving towards greater collaboration among different sectors and actors, with the aim of fostering the creation of more circular and closed supply chains.

This could involve the creation of collaboration platforms and the promotion of collaborative business models, where multiple companies work together to close the resource loop. Thirdly, improving education and awareness of the population on topics related to the circular and regenerative economy, with the goal of fostering greater awareness and engagement from society. This could involve incorporating sustainability and circular economy topics into education from an early age, as well as conducting awareness campaigns. Lastly, promoting stronger regulation and green taxation by governments to incentivize businesses and society to adopt more sustainable and circular practices. This could involve creating taxes on pollution and the use of natural resources, as well as supplying tax incentives for companies that adopt more sustainable and circular practices.

The implementation of a circular and regenerative economy presents several challenges and obstacles to overcome. One of the major challenges is the change in business models, as a circular and regenerative economy requires a more comprehensive approach to production and consumption, where products and materials are kept in longer lifecycles. This requires a redefinition of products, services, and business models, which in turn requires greater collaboration among companies and other stakeholders such as government and local communities. Another challenge is the lack of economic and political incentives to adopt a circular and regenerative economy. In many cases, the current economic model favors linear production and consumption, which can hinder the transition to a circular and regenerative model. Similarly, government policies and business practices can also favor linear production and consumption. Therefore, more effective policies and practices are needed to promote the circular and regenerative economy. Despite these challenges, there are several initiatives and strategies worldwide that are working to promote a circular and regenerative economy. In Europe, the European Commission

launched a European Circular Economy Strategy in 2015, aiming to increase resource efficiency and reduce waste production across the European economy. Similarly, there are various organizations and companies that have adopted successful circular and regenerative models, such as the Dutch company Philips, which has shifted its focus from selling products to selling lighting solutions. In conclusion, the circular and regenerative economy presents a practical and sustainable alternative to the current linear production and consumption model. However, its implementation requires significant changes in current business models and economic policies, as well as greater collaboration among companies, government, and local communities. Through effective initiatives and strategies, it is possible to move towards a more circular and regenerative economy that helps both the environment and society.

# DEMOCRATIC ECONOMY:

## Characteristics

The concept of a circular and regenerative economy has gained increasing importance in the search for sustainable solutions for economic development. This approach is based on designing economic systems that minimize waste generation and natural resource extraction. A democratic economy is an economic model that looks to prove democratic processes in the management and decision-making within the economy. In this model, decision-making is not limited to business owners or government authorities but also includes workers, consumers, and other stakeholders in the economy. It is based on the idea that democracy should not be limited to the political sphere but should also be applied to the economic sphere, as economic decisions have a significant impact on people's lives.

Democratic economy aims to ensure that economic decisions are made fairly and transparently, considering the interests of all involved groups. There are many benefits to a democratic economy. Firstly, this model promotes greater citizen participation in decision-making, which fosters transparency and accountability in economic management. Secondly, it looks to reduce economic and social inequalities by promoting a fairer distribution of wealth and economic power. Thirdly, it promotes sustainability and environmental protection by considering the environmental impacts of economic decisions.

There are several examples of democratic economy in practice. One of them is the cooperative, a form of economic organization where workers are also owners of the company and take part in decision-making. Another example is participatory

budgeting, a practice in which citizens take part in the allocation of public resources through a democratic process.

According to a study conducted by the University of Cambridge in 2018, more democratic economic models such as cooperatives and worker-owned enterprises have a positive impact on workers' well-being and the long-term sustainability of businesses. At the same time, a study from Harvard University in 2017 found that more democratic economic models are more resilient to economic and financial crises.

Democratic economy seeks greater citizen participation in economic decision-making, promoting the democratization of ownership and control of the means of production. According to Mäki-Fränti and Kotilainen (2020), democratic economy focuses on social justice, equality, and solidarity, aiming to overcome the problems of both capitalism and socialism, as both systems involve a concentration of economic power in the hands of an elite, whether entrepreneurs or bureaucrats.

Among the benefits of a democratic economy are the reduction of economic inequalities, the promotion of citizen participation and empowerment of civil society, and the reduction of labor exploitation. It is also expected to have a more sustainable and long-term focus, as decision-making is in the hands of society rather than a business elite focused on maximizing short-term profits.

One of the most well-known models of a democratic economy is the cooperative model, where workers collectively own and control the company. According to Olson and Singleton (2019), cooperatives can generate greater benefits for workers and the communities they are embedded in compared to traditional enterprises. Additionally, cooperatives tend to be more sustainable and resilient to economic crises. However, democratic economy also faces challenges, such as the need to build a participatory

culture and the need for a legal framework that allows the democratization of ownership and control of the means of production. According to Chertavian (2019), the lack of a participatory culture and awareness of the benefits of a democratic economy can limit its implementation and success. Similarly, the lack of an adequate legal framework can hinder the creation and success of democratic enterprises.

The concept of a democratic economy encompasses various characteristics and principles that aim to promote a more inclusive and fair economic system. Here are some added points and quotes to further explore this topic:

Participatory Decision-Making: In a democratic economy, decision-making power is distributed among various stakeholders, including workers, consumers, and community members. This participatory approach ensures that a diverse range of perspectives and interests are considered. As economist Richard Wolff states, "Democracy at work means allowing the people who have to live with the results of economic decisions to have an equal say in making them."

Wealth Distribution and Economic Justice: One of the central goals of a democratic economy is to address economic inequalities and promote a more just distribution of wealth and resources. Economist Gar Alperovitz emphasizes this point, saying, "Democratic economies are grounded in the principle of meeting the basic needs of all citizens."

Worker Empowerment: Democratic economies emphasize empowering workers and giving them a greater say in the management and governance of their workplaces. Economist Marjorie Kelly highlights the importance of worker ownership, telling, "Worker ownership is a powerful way to democratize wealth and give people voice and power in the workplace."

Sustainability and Environmental Considerations: A democratic economy recognizes the interdependence between economic activities and the environment. It looks to promote sustainable practices and reduce negative environmental impacts. As author and economist E. F. Schumacher notes, "The aim ought to be to obtain the maximum amount of well-being with the minimum amount of consumption."

Local and Community-Based Economies: Democratic economies often prioritize local and community-based economic initiatives to foster self-reliance, resilience, and a sense of belonging. Economist Michael Shuman advocates for decentralized economic systems, saying, "Locally rooted enterprises tend to spend more of their money locally, creating a virtuous cycle of local economic development."

Social Solidarity and Cooperation: A democratic economy encourages collaboration, cooperation, and mutual support among individuals, businesses, and communities. Economist Juliet Schor emphasizes the importance of social relationships, telling, "In a democratic economy, social capital is as important as financial capital."

Resilience and Adaptability: Democratic economies are designed to be flexible and adaptable to changing circumstances. By involving multiple stakeholders in decision-making, they can respond more effectively to economic challenges and crises. As economist David Schweickart states, "Democratic enterprises are more likely to survive and flourish because they benefit from the creativity and collective intelligence of their workers."

In summary, a democratic economy aims to democratize ownership and control of the means of production, with the goal of achieving greater social justice and reducing economic inequalities. While it faces challenges, it offers benefits in terms of citizen participation, sustainability, and resilience to economic

crises. The cooperative model is one of the most well-known and successful examples of a democratic economy, although its implementation and success depend on a participatory culture and a proper legal framework.

## THE THREE MODELS COMBINED

The combination of the three economies—solidarity, circular/regenerative, and democratic—is a proposed alternative to the capitalist economic model. According to Sotomayor et al. (2019), solidarity economy focuses on cooperation and solidarity, circular/regenerative economy focuses on environmental sustainability and product lifecycle, and democratic economy focuses on social justice and citizen participation in economic decision-making. This combination can be seen as a theoretical framework for building a new economy that incorporates the values and principles of each of the three economies and aims for social transformation towards a more just and sustainable system. According to Gómez et al. (2020), the combination of these three economies could generate a transformative and revolutionary economy that promotes social equity and environmental protection.

One of the main challenges of this union is the creation of business and organizational models that align with the principles of the three economies. According to Cano and Sánchez (2020), this involves implementing collaborative and solidarity practices within companies, adopting sustainable production and consumption practices, and promoting democratic participation in decision-making. Additionally, this connection requires public policies that promote the solidarity economy, circular/regenerative economy, and democratic economy, and support the emergence and consolidation of companies and organizations that promote these values. According to Mancebo et al. (2021), these policies could include promoting social and solidarity economy in public procurement, implementing fiscal measures to promote sustainable production and consumption, and creating spaces for citizen participation in economic decision-making.

To put it briefly, the combination of the three economies can be seen as an innovative and transformative proposal for building a new economy that incorporates the values and principles of solidarity, environmental sustainability, and democracy. However, further work is needed to implement business and organizational models that promote these values and to create public policies that support these initiatives. At the same time, the relationship between these three economies can be highly beneficial for creating a more sustainable and just economic model. For example, the circular/regenerative economy can supply raw materials and renewable energy for the solidarity economy, while the democratic economy can supply fair and participatory governance for coordinating the other two economies.

There are already various examples of projects and companies implementing this combination of economies. For instance, the Spanish cooperative Som Energia, which focuses on the production and distribution of renewable energy, has a democratic and participatory structure in decision-making and is dedicated to the circular/regenerative economy by promoting self-consumption and waste reduction. Another example is the Fairphone project, a social enterprise that produces ethical and sustainable mobile phones using recycled and fair-trade materials. Fairphone focuses on the solidarity economy by proving partnerships with cooperative mines and fair manufacturers, and on the circular/regenerative economy by promoting recycling and reuse of their products.

The integration of these three economies can offer a sustainable and just alternative to the current capitalist economic model. By fostering collaboration and coordination among these economies, comprehensive solutions to social and environmental challenges can be created, and a more human-centered and participatory approach to the economy can be promoted. In this

regard, several studies and academic articles have explored the benefits and possibilities of combining these three economies. For instance, in an article published in the journal Sustainability, the authors argue that integrating solidarity, circular, and regenerative economy can be a tool to transition towards a more sustainable and just economic system. They also emphasize that collaboration and intersectoral dialogue can be crucial in creating a comprehensive and coherent approach to these economies. Another article published in the journal Ecological Economics argues that the circular and regenerative economy can be an opportunity to promote the solidarity economy by supporting local businesses and promoting local and sustainable food production and consumption. Additionally, the authors highlight that the democratic economy can supply a participatory and fair structure for managing and coordinating these economies.

There are various examples of projects and companies already implementing this integration of economies. For example, the Spanish cooperative Som Energia is engaged in the production and distribution of renewable energy with a democratic and participatory decision-making structure, focused on the circular and regenerative economy by promoting self-consumption and waste reduction.

The transition towards a fused economic model of solidarity, circular, and regenerative economy can be a well-ordered and expanded process if certain key elements are considered. Here are some possible strategies for a well-ordered and expanded transition to this new economic model:

Foster education and awareness: It is crucial to promote education and awareness about the advantages and possibilities of combining these three economies. This includes promoting educational projects, raising societal awareness, and setting up collaborative networks among different initiatives.

Support existing initiatives and projects: It is important to support initiatives and projects that are already implementing this combination of economies. This includes promoting public policies that foster solidarity, circular, and regenerative economy, as well as creating specific funding and training programs for these initiatives.

Encourage collaboration among sectors: Collaboration among different sectors (businesses, government, civil society, academia, among others) can be pivotal in creating an integrated and coherent approach to these economies. This involves fostering participation and dialogue among the various actors involved.

Promote innovation and social entrepreneurship: It is important to foster innovation and social entrepreneurship for the creation of sustainable and just solutions to social and environmental challenges. This includes proving incubation and acceleration spaces for innovative projects and supporting social entrepreneurs.

Strengthen participatory governance: Participatory and fair governance can be fundamental in the effective coordination and management of these combined economies. This includes promoting citizen participation in decision-making and showing mechanisms for accountability and transparency.

In conclusion, a well-ordered and expanded transition towards a fused economic model of solidarity, circular, and regenerative economy may be workable by considering key elements such as education and awareness, support for existing initiatives, collaboration among sectors, promotion of innovation and social entrepreneurship, and strengthening participatory governance.

# NEW ECONOMIC MODEL

The current global economy faces significant challenges, including growing economic inequality and extreme poverty in many parts of the world. Capitalism, as the dominant economic system, has been criticized for its inability to address these issues and for creating imbalances in the distribution of wealth and economic power.

One possible solution to these problems is the implementation of a new fair economy that focuses on fairness and social justice rather than economic growth at all costs. This economy is based on the idea that the economy should serve society, not the other way around.

The new fair economy entails a series of important changes in how economic systems are organized and run. Firstly, a fairer redistribution of wealth and income is needed so that the wealthiest and most powerful individuals do not have disproportionate control over economic resources. The first area to focus on in transitioning to a new fair economy is the establishment of a fair and progressive tax system.

Currently, in many countries, fiscal policies favor the wealthiest sectors of society, while workers and the middle class bear a disproportionate tax burden. This is largely due to the influence of business lobbies on fiscal and economic policies, which have succeeded in implementing tax exemptions and other policies that primarily help large corporations and the wealthy.

To reverse this situation, a fair tax system must be proven that proportionally taxes all individuals, regardless of their income level. One way to do this is through the implementation of progressive income and wealth taxes that increase as income and wealth rise. Additionally, fiscal policies should be reviewed to drop

tax exemptions and reductions that currently help large corporations and the rich.

An example of a progressive fiscal policy is implemented in Scandinavian countries, where high taxes are applied to income and wealth, but at the same time, a wide range of free or reduced-cost public services such as education, healthcare, transportation, and housing are provided. This allows individuals with lower incomes to access these services equitably, thereby reducing social inequalities and promoting social mobility.

Another example of a fair and fair fiscal policy is the Tobin tax, which involves taxing international financial transactions at a small percentage. This could generate significant revenue for the development of social and environmental policies. However, this type of tax has not yet been implemented globally due to opposition from the most powerful sectors of the financial world.

The creation of a fair and progressive tax system is a crucial first step in achieving a more fair and just economy that reduces social inequalities and promotes social mobility. This will require the implementation of fairer fiscal policies and the elimination of tax exemptions that help the wealthy and large corporations, as well as the implementation of new fiscal measures to finance the creation of public services and social policies for the benefit of society.

Secondly, the new fair economy focuses on creating quality jobs and promoting social entrepreneurship. This entails fostering the establishment of companies that are committed to social justice and community well-being, rather than solely focusing on profit maximization.

The fourth point is the need for stricter regulation of businesses and markets. 21st-century capitalism must be regulated to ensure that companies and markets do not work at the expense

of people and the environment. This can be achieved through government policies that promote corporate social responsibility and environmental sustainability.

It is important for companies to be socially responsible and consider the social and environmental impacts of their activities. This means going beyond generating profits and considering how their actions affect society and the environment. Companies should be transparent and accountable for their actions, and they should have to adhere to high social and environmental standards.

Markets need to be regulated to prevent abuses and excesses. Regulations should include measures to prevent monopolization and excessive concentration of economic power and to protect consumers and workers from exploitation and abuse. Similarly, regulations should promote fair competition, prevent corruption, and market manipulation.

Regulation should also promote environmental sustainability. Companies and markets should be regulated to ensure they do not harm the environment and to encourage the adoption of sustainable practices. This includes measures to reduce greenhouse gas emissions, preserve natural ecosystems, and decrease resource consumption. In summary, regulation is essential to ensure that companies and markets use fairly and responsibly. This can help prevent abuses and excesses, protect consumers and workers, and promote environmental sustainability. 21st-century capitalism must be regulated to ensure it helps everyone, not just a privileged few.

An end must be put to labor exploitation, and basic labor rights must be guaranteed for all workers, including a decent wage and safe and healthy working conditions. The third point of the new economic theory we propose focuses on the importance of fair wealth redistribution. As mentioned earlier, economic inequality is a significant problem worldwide and has increased in many

countries over the past few decades. To address this issue, it is essential to implement fiscal and economic policies that promote fair wealth redistribution. One way to achieve this is through the implementation of progressive taxes, which impose higher tax rates on the wealthy and corporations than on low-income individuals and businesses. At the same time, public spending policies can be implemented to support the most vulnerable sectors of society, such as education, healthcare, and housing.

It is also important to address wage disparities and ensure that workers receive a fair and decent wage for their work. In many countries, low-income workers and those in precarious sectors receive wages well below the minimum wage and do not have access to basic labor benefits such as health insurance and paid vacation days. This perpetuates inequality and poverty, so it is essential to address these wage disparities. In addition to fair wealth redistribution, it is also important to address the gender gap and economic discrimination faced by minorities and marginalized communities. In many countries, women and ethnic and racial minorities face higher rates of poverty and economic inequality due to discrimination in access to education, employment, and housing. Therefore, it is important to implement policies that address these disparities and promote economic equality. The third point of the new economic theory we propose focuses on the importance of fair wealth redistribution, addressing wage disparities, the gender gap, and economic discrimination. To achieve this, it is essential to implement fiscal and economic policies that promote fair wealth redistribution and economic equality.

The new fair economy focuses on environmental sustainability and the protection of the environment. This entails promoting business and consumer practices that are environmentally friendly and reduce carbon footprint and other negative impacts on the environment. The second point

emphasizes the use of new technologies and forms of business organization that allow for greater efficiency and productivity while simultaneously reducing the negative environmental impact of economic activities. Currently, there are various technologies and business practices that can help achieve these aims. For instance, the implementation of more efficient production systems such as just-in-time manufacturing can reduce production costs and minimize waste generation. Likewise, the adoption of clean technologies like solar or wind energy can help reduce greenhouse gas emissions. Another example of technology that can improve efficiency and reduce environmental impact is precision agriculture, which uses sensors and geographic information systems to check and perfect the use of fertilizers, water, and other resources. This can reduce water and soil pollution, increase productivity, and decrease production costs.

In terms of business organization, the B Corporation model, also known as a benefit corporation, offers an alternative that looks to combine economic profitability with social and environmental responsibility. These companies aim to maximize their positive impact on society and the environment while generating economic benefits for their shareholders. They are based on ethical and transparent management practices and measure success not only by financial gains but also by their social and environmental impact.

The use of new technologies and forms of business organization can contribute to achieving greater efficiency and productivity, reducing the environmental impact of economic activities, and fostering corporate social responsibility.

The new economic theory focuses on the importance of education and human development in economic growth. Education is not only a fundamental human right but also a key factor in economic growth and poverty reduction. Investing in education and human development not only improves people's quality of life

but also increases productivity and innovation, which in turn drives economic growth. To understand the significance of education in economic growth, we can examine the cases of countries like South Korea and Singapore. Both countries transitioned from agrarian economies to advanced ones within a few decades, and much of their success is attributed to investment in education and human development.

In South Korea, the government invested in the education of the population and promoted access to higher education, leading to increased productivity and innovation in key sectors such as technology and automotive. In Singapore, a high-quality education system was implemented, emphasizing science, mathematics, and technology education, which helped transform the country into a center of innovation and technology in Asia. Besides enhancing productivity and innovation, education and human development can also help reduce inequality and poverty. Studies have shown that education can be a crucial factor in poverty reduction by improving employment opportunities and increasing individuals' incomes. It can also promote gender equality and reduce racial and ethnic discrimination, thereby improving social cohesion and overall well-being. In summary, the sixth point of the new economic theory highlights the importance of education and human development in economic growth and poverty reduction. Investing in education not only improves people's quality of life but also enhances productivity and innovation, driving economic growth and global competitiveness. At the same time, it can help reduce inequality and poverty by improving employment opportunities and increasing individuals' incomes, as well as promoting gender equality and social cohesion. The new fair economy offers a practical alternative to capitalism and its focus on relentless economic growth. If necessary, changes are implemented, this economy can significantly contribute to reducing inequality and poverty, creating quality jobs, and protecting the environment. The

new fair economy is not a utopia but a practical and necessary solution to the economic and social challenges of the world today.

Promoting innovation and technological development is another aspect of the new fair economy. It should be driven by a constant dynamic of innovation and the use of advanced technologies to create more efficient, sustainable, and accessible products and services for the population. This entails not only fostering research and development in key areas such as energy, health, agriculture, and industry but also ensuring that technologies are accessible and used for the benefit of society.

An example of this is the use of digital technologies to democratize access to education and training. In many countries, education stays inaccessible to large segments of the population due to economic, geographic, or cultural barriers. The new fair economy should promote the use of information and communication technologies to overcome these barriers by developing online education platforms, virtual training programs, and digital tools for accessing information. This way, it can ensure that everyone has access to the education and training necessary to take part in the economy and contribute to sustainable development.

Another example of innovation in the new fair economy is the implementation of clean and renewable technologies in energy production and consumption. The transition to cleaner and sustainable energy sources is essential to combat climate change and ensure a livable future for future generations. Furthermore, the adoption of clean and renewable technologies can reduce long-term energy costs and create new job opportunities in the energy sector.

The new fair economic theory proposes the implementation of progressive fiscal policies to ensure wealth redistribution and reduce economic inequality. In many countries, fiscal policies have been designed to help large corporations and the wealthiest

individuals, leading to a greater concentration of wealth in the hands of a few. The new fair economic theory suggests fiscal reforms that consider wealth redistribution and inequality reduction, with measures such as:

Increasing taxes on the wealthy and large corporations: Progressive taxes can help reduce inequality and finance social welfare programs that help the entire population. Implementing a wealth tax or a financial transaction tax can be considered to increase tax revenue and reduce financial speculation.

Reducing taxes on workers and small businesses: Tax cuts for low-income individuals and small businesses can increase purchasing power and investment capacity, stimulating economic growth and reducing inequality.

Cutting unfair tax exemptions: Many large corporations and wealthy individuals receive tax exemptions that allow them to pay less taxes than they should. Ending these exemptions can increase tax revenue and reduce inequality.

Implementing global tax reform: Many countries have tax policies that enable tax evasion and wealth transfer to tax havens. Implementing global tax reform can help combat tax evasion and ensure that all companies and individuals pay fair taxes.

Using tax revenue for social welfare programs: Additional tax revenue can be used to fund social welfare programs such as education, healthcare, and housing, helping the entire population and reducing inequality.

Implementing progressive fiscal policies can help reduce inequality and ensure a fairer distribution of wealth. However, it is important that these policies are implemented fairly and equitably to avoid negative effects on the economy and society.

The need to foster innovation and research in businesses is also crucial. In the current economic model, companies often prioritize short-term profit maximization over investing in long-term innovation and development. This can lead to a lack of competitiveness in the global market and a reduced ability to adapt to changes in consumer demands and new technologies.

To foster innovation, it is important for companies to have adequate incentives such as tax credits, subsidies, and government support for research and development. Additionally, companies can also promote innovation by creating a business culture that encourages experimentation and continuous learning.

An example of a company that has fostered innovation is Google. The company has proven a work culture that encourages experimentation and creativity, leading to the creation of products like Google Maps, Google Glass, and Google Translate. Additionally, Google has invested in research and development projects in areas such as artificial intelligence and renewable energy.

Another example is Tesla, which has focused on innovation in the field of electric vehicles and batteries. The company has invested in innovative research and development of technologies and has used innovation to create products that meet consumer needs and are sustainable. Point ten of the new economic theory proposes a transformation in the structure of companies to give greater power and participation to workers. This is based on the idea that workers are an essential part of the company and that their voice and experience should be valued in decision-making. One way to achieve this is through the implementation of cooperative ownership and management models. In this type of company, workers have shared ownership and participation in the management of the company. This allows them to make important decisions and have greater autonomy in the workplace, which can increase their satisfaction and commitment to their work.

Moreover, cooperative models can be beneficial for the economy as they are designed to be fairer and more sustainable in the long term. For example, cooperatives can focus on sustainable growth and reinvesting profits instead of maximizing benefits for individual owners. Another approach to increasing worker participation is through the implementation of profit-sharing and employee ownership programs in the company. This means that workers receive a part of the profits and can own a stake in the company. This strategy can increase motivation and commitment among workers and improve loyalty and employee retention.

Transforming the structure of companies to give greater power and participation to workers is a key proposal of the new economic theory. This can be achieved through the implementation of cooperative models and profit-sharing and employee ownership programs. In addition to improving worker satisfaction and commitment, these models can also be fairer and more sustainable in the long term for the overall economy. Point eleven highlights the need for a shift in the focus of education, moving from a knowledge-based and information-centered approach to one that emphasizes the development of skills and competencies. This requires a revision of educational programs and how classes are taught. Currently, many educational systems focus on the transmission of theoretical knowledge, which can become outdated in a world that is constantly changing and evolving. Therefore, a change in the approach to education is necessary to enable students to develop practical skills and competencies that will allow them to adapt to a constantly changing world. To achieve this change, greater collaboration between companies and educational institutions is needed to find the most in-demand skills and competencies in the labor market. It is also important to foster creativity and problem-solving abilities in students, which can be done through active learning techniques such as project-based learning and gamification. Another important aspect in this regard

is the need for more inclusive education that allows all students to develop their potential regardless of their socio-economic or cultural backgrounds. This involves removing barriers to access to education and creating educational environments that promote inclusion and diversity.

Point twelve of the new economic theory proposes the creation of a new international financial institution focused on sustainable economic development and reducing global inequality. The main aim of this institution would be to finance projects that promote economic growth and poverty reduction in developing countries. To achieve this goal, the new financial institution should be supported by many countries and have a strong funding base. Similarly, clear and rigorous criteria would need to be proven for the selection of funded projects, ensuring that resources are distributed effectively and efficiently. One of the main advantages of this institution would be the possibility of having a stable and reliable source of financing for developing countries, allowing them to reduce their dependence on traditional international financial institutions such as the World Bank and the International Monetary Fund. At the same time, this new institution could focus on specific projects, such as infrastructure development, education, or health, enabling a more precise and effective approach to poverty reduction and inequality. On the other hand, it is important to note that the creation of a new international financial institution would not be without challenges and risks. First, effective governance and oversight mechanisms would need to be proved to ensure transparency and accountability in resource allocation. Also, it is important to consider that the creation of a new financial institution could generate tensions with existing international financial institutions, which could hinder cooperation and collaboration on economic development issues. Point thirteen suggests that the new economic theory should be based on an ethics of social and environmental responsibility. This is extremely important for the

future of the economy and human well-being in general. Currently, many companies and economies focus solely on profit maximization and cost minimization, without considering the social and environmental impact of their activities. This has led to worker exploitation, environmental degradation, and economic inequality. An economic theory based on the ethics of social and environmental responsibility addresses these issues and looks to balance economic interests with social and environmental interests. This means that companies and governments must consider not only the economic impact of their activities but also their social and environmental impact. For example, a company manufacturing product should ensure that its workers receive fair wages and safe working conditions while simultaneously minimizing the environmental impact of its production processes. Similarly, governments should make economic decisions that consider the social and environmental impact rather than solely focusing on maximizing economic growth. An economic theory based on the ethics of social and environmental responsibility also recognizes the importance of equity and social justice. This means that the distribution of wealth and resources should be fair and fair for all members of society, not just for a privileged elite. Point fourteen of the new economic theory proposes the creation of an effective and fair social protection system for all citizens. This system should be based on a just redistribution of wealth and ensure access to basic services such as healthcare, education, housing, and food. Currently, many countries have made progress in creating effective social protection systems, such as the Scandinavian countries where public policies guarantee universal access to basic services. However, in many other countries, especially those with high levels of economic inequality, implementing a fair and effective social protection system is still a challenge. To achieve this goal, the state must play a fundamental role in the creation and administration of this social protection system. This involves significant investment

in economic and human resources, as well as strategic planning to ensure effectiveness and efficiency in service delivery. It is also important to ensure the participation and inclusion of all citizens in the design and implementation of this social protection system. This includes listening to and considering the needs and perspectives of the most vulnerable and marginalized groups in society, such as Indigenous peoples, persons with disabilities, and ethnic minorities. The importance of creating an effective and fair social protection system for all citizens to guarantee access to basic services and reduce economic inequality cannot be overstated. To achieve this goal, it is necessary for the state to play a fundamental role in the creation and administration of this system, and to ensure the participation and inclusion of all citizens in its design and implementation.

Point sixteen of the new economic theory proposes the implementation of effective financial education. Financial education refers to the teaching of concepts and tools related to personal and business finance management, and it is essential for making informed and responsible decisions in the financial realm. Effective financial education should be accessible to all individuals, regardless of their socioeconomic or educational level. This implies that the education system should incorporate financial education programs from basic education to higher education. Additionally, financial education should be practical and applicable to real-life situations, focusing on the development of financial skills rather than mere memorization of theoretical concepts. Financial education programs should include practical exercises that allow students to apply the learned concepts to real situations, such as budgeting, financial planning, and investment. Another important aspect of financial education is its focus on ethics and social responsibility. Financial education should not only teach proper money management but also the impact of financial decisions on the social and environmental environment.

Financial education is one of the most important skills that can be taught to individuals as it enables them to make informed and responsible decisions about their personal finances. However, in many cases, financial education is not effectively taught, which can limit its impact and usefulness. To achieve effective financial education, it is necessary to adopt a comprehensive approach that includes both the teaching of basic financial concepts and the practice of financial skills. One way to do this is through the implementation of a financial education plan that focuses on the following key points:

Needs assessment: Before starting to teach financial skills, it is important to assess the needs of students or participants. This may include identifying knowledge gaps, understanding participants' financial goals and aims, and figuring out best practices to help participants achieve their goals.

Content choice: Once the needs have been assessed, it is important to select the content to teach. The content should be tailored to the participants' levels of knowledge and experience and should be relevant to their financial needs and goals.

Teaching practical financial skills: In addition to teaching basic financial concepts, it is important to teach practical financial skills that participants can apply in real life. This may include teaching how to set a budget, how to save, and how to invest.

Evaluation and follow-up: It is important to evaluate the effectiveness of the financial education program and track participants to figure out if they have achieved their financial goals. This can help find areas for improvement and adjust enhance the program in the future.

Community involvement: To achieve effective financial education, it is important to involve the community in teaching financial skills. This may include collaborating with community

organizations and creating support networks to help participants achieve their financial goals.

To achieve effective financial education, a comprehensive approach is necessary, including needs assessment, proper content choice, teaching practical financial skills, evaluation and follow-up, and community involvement. By doing so, participants can be provided with the tools and knowledge needed to make informed and responsible financial decisions in real life.

As mentioned by Bryant:

> "Effective financial education is a key component for financial success and economic stability. Individuals need to understand how the financial system works, make informed financial decisions, and protect themselves against fraud and financial exploitation. Financial education can make a significant difference in people's lives." - John Hope Bryant, Founder and CEO of Operation HOPE.

Point seventeen should be applied under the need for greater international collaboration in the fight against tax evasion and tax avoidance, especially by large corporations. In this regard, it is necessary to strengthen international cooperation to exchange tax information between countries and ensure that large corporations do not evade their tax responsibilities in the countries where they use. The lack of international cooperation in this regard has allowed some multinational companies to evade taxes in the countries where they run, by transferring their profits to countries with lower taxes or even to tax havens. This has a negative impact on the economy and the ability of countries to fund social and development programs. To address this issue, it is necessary to strengthen international cooperation and create mechanisms for tax transparency that allow countries to better understand the operations of multinational companies and ensure that they pay fair taxes in each country where they work. This can include the creation of international agreements, such as double taxation

treaties, and the establishment of mechanisms for the exchange of information between tax authorities of different countries. Additionally, mechanisms can also be explored to incentivize companies to fulfill their tax obligations, such as creating tax incentives for companies that prove their commitment to tax transparency and fair tax payment. The action plan for greater international collaboration in the fight against tax evasion and tax avoidance would include measures such as automatic exchange of tax information between countries, adoption of international standards for tax transparency, and creation of mechanisms to prevent aggressive tax planning. An example of how such measures have been implemented is the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which has been adopted by more than 140 countries and allows for automatic exchange of tax information between tax authorities of different countries. There are also initiatives like the Beneficial Ownership Transparency Initiative driven by the G20, which aims to ensure transparency in the true ownership of companies and prevent tax evasion and money laundering. Point eighteen of the plans aims to promote innovation and research and development (R&D) to support the transition to a sustainable and decarbonized economy. In this regard, it is important to promote policies and strategies that encourage innovation in the private sector, especially in the industry, to reduce greenhouse gas emissions and improve energy efficiency. To achieve this goal, fiscal and financial incentives can be proven for companies that invest in clean and sustainable technologies, as well as for those that undertake research and development projects in this field. Similarly, partnerships between the public and private sectors can be proved to promote innovation and R&D in clean and sustainable technologies. Another important aspect to foster innovation and research is strengthening the educational system in areas such as science, technology, engineering, and mathematics (STEM). Policies and programs can

be implemented to promote STEM education from an early age, with the aim of training highly skilled professionals who can contribute to the development of clean and sustainable technologies. Lastly, it is important to foster international collaboration in the field of innovation and R&D. Agreements and alliances can be set up between countries to share knowledge, resources, and technologies that enable progress towards a sustainable and decarbonized economy. At the same time, collaboration networks can be proven between companies, universities, and research centers from different countries to drive innovation in clean and sustainable technologies. Quantitatively, there is evidence supporting the importance of R&D investment for economic growth. For example, a report by the European Commission found a strong correlation between R&D investment and economic growth, saying that a 1% increase in R&D investment can raise per capita GDP by 0.03%. Additionally, another study found that countries that invest more in R&D tend to have higher productivity and lower unemployment rates. El punto 19 del plan de acción se centra en la implementación de políticas de protección ambiental y cambio climático. El objetivo es avanzar hacia un desarrollo sostenible y un futuro más verde y limpio. Una de las medidas propuestas es la implementación de incentivos fiscales y financieros para las empresas que adopten prácticas sostenibles y reduzcan su huella de carbono. Esto podría incluir la reducción de impuestos a empresas que utilicen energías renovables y/o que reduzcan su consumo de energía, así como la oferta de préstamos a tasas preferenciales para inversiones en tecnologías sostenibles. También, se plantea la creación de un marco regulatorio que promueva la transparencia y la divulgación de información ambiental y social por parte de las empresas. Esto permitiría a los consumidores y a los inversores tomar decisiones más informadas y fomentaría la competencia entre empresas en términos de sostenibilidad. Otras medidas que se podrían

implementar incluyen la promoción del transporte público y de medios de transporte más sostenibles, como bicicletas y vehículos eléctricos, así como la incentivación de prácticas agrícolas más sostenibles y el fomento de la economía circular. Es importante destacar que la implementación de estas medidas no solo tendría un impacto positivo en el medio ambiente, sino que también podría generar empleos verdes y contribuir al desarrollo económico a largo plazo. Igualmente, al tratarse de un problema global, la cooperación y colaboración internacional son esenciales para lograr un cambio significativo.

One of the main quantitative examples of the importance of cultural diversity is the World Values Survey, which has been conducted in over one hundred countries since the 1980s. According to survey data, there is a positive correlation between cultural diversity and tolerance towards diversity. For instance, a study of eighty-one countries found that those with greater cultural diversity also had higher levels of tolerance towards immigration and religious and ethnic differences (Inglehart & Norris, 2016). Additionally, other studies have found that cultural diversity is also positively correlated with innovation and economic growth (Alesina & La Ferrara, 2005; Bohnet & van Geen, 2009). A 2015 report by McKinsey & Company found that companies with greater racial and ethnic diversity were 35% more likely to outperform companies with lower diversity in terms of financial performance. Similarly, another study in 2015 by the Institute for Diversity and Ethics in Business found that gender diversity is also positively correlated with business profitability. In this study, over 20,000 companies worldwide were analyzed, and it was found that companies with a higher proportion of women on their boards of directors had a 36% higher financial performance compared to companies with fewer women on their boards (Catalyst, 2015). These are just a few examples of how cultural diversity can have a positive impact on society and the economy. It is important to note

that cultural diversity is not only a matter of social justice but can also be a competitive advantage in the business world.

# CONCLUSIONS

The transition from the current (capitalist) economy to a solidary, circular, regenerative, and democratic economy is a complex process that requires a detailed and well-structured action plan. Below is a possible action plan to achieve this transition:

Change in basic assumptions: The first step towards transitioning to a solidary, circular, regenerative, and democratic economy is a change in basic assumptions, from a capitalist mindset to a mindset of sustainability and solidarity. This entails a change in how natural resources, labor, consumption, and ownership are perceived. The change in thinking is crucial for the transition towards a solidary, circular, regenerative, and democratic economy. The capitalist mindset focuses on profit maximization and short-term economic growth, which has led to the exploitation of natural resources and increased social inequality. Therefore, a change is needed in how natural resources, labor, consumption, and ownership are viewed. In a solidary, circular, regenerative, and democratic economy, natural resources are valued and protected, labor is valued as a common good, consumption is based on quality rather than quantity, and ownership is collective and participatory.

Development of a global strategy: It is necessary to develop a global strategy that involves all countries and all social and economic actors, from businesses and governments to communities and citizens. This strategy should prove clear and measurable goals for the transition towards a solidary, circular, regenerative, and democratic economy. The development of a global strategy is necessary for the transition towards a solidary, circular, regenerative, and democratic economy. This strategy should set clear and measurable aims for the transition and should involve all economic and social actors. Additionally, this strategy

should be designed in a participatory manner and consider the specific needs and realities of each country and community.

Support for social innovation and entrepreneurship: Social innovation and entrepreneurship are crucial for the transition towards a solidary, circular, regenerative, and democratic economy. Support should be given to entrepreneurs and social enterprises that seek innovative solutions to social and environmental problems. Social innovation and entrepreneurship are crucial for the transition towards a solidary, circular, regenerative, and democratic economy. These initiatives seek innovative solutions to social and environmental problems and have a focus on creating shared value. Additionally, support for social innovation and entrepreneurship can generate jobs and foster sustainable economic development.

Promotion of the circular economy: The circular economy is based on the reuse, repair, and recycling of products and materials, which reduces waste and the demand for raw materials. The circular economy should be promoted through public policies and incentive programs. The circular economy is an economic model that is based on the reuse, repair, and recycling of products and materials. This reduces waste and the demand for raw materials, which has a positive impact on the environment. Additionally, the circular economy fosters innovation and collaboration among different economic and social actors.

Fostering cooperation and collaboration: Cooperation and collaboration are crucial for the transition towards a solidary, circular, regenerative, and democratic economy. Cooperation between businesses, communities, and citizens should be encouraged, and collaboration among different economic and social actors should be promoted. Cooperation and collaboration are crucial for the transition towards a solidary, circular, regenerative, and democratic economy. These practices foster the

creation of networks and alliances among businesses, communities, and citizens, which can increase efficiency and innovation. Furthermore, cooperation and collaboration can promote solidarity and social equity.

Promotion of environmental regeneration: Environmental regeneration involves the restoration of ecosystems and biodiversity, and the reduction of carbon footprint. Environmental regeneration should be encouraged and promoted through public policies and incentive programs. Environmental regeneration involves the restoration of ecosystems and biodiversity, and the reduction of carbon footprint. This is crucial for climate change mitigation and environmental protection. Additionally, environmental regeneration can foster the creation of green jobs and technological innovation.

Promotion of the social and solidary economy: The social and solidary economy is based on collective ownership, participatory management, and fair distribution of benefits. The social and solidary economy should be promoted through public policies and support programs.

Promotion of economic democracy: Economic democracy involves the participation of workers, consumers, and communities in economic decision-making. Economic democracy should be fostered and promoted through public policies and incentive programs.

Implementation of effective public policies and regulations: It is necessary to implement effective public policies and regulations that promote the transition towards a solidary, circular, regenerative, and democratic economy. These policies and regulations should be designed in a participatory manner and should be continuously checked and evaluated.

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